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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JANUARY 8, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
January 8, 2004

DOCUMENTS DEPT.
JUN - 8 2005
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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Andrew J. Clark, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - December 11, 2003 Commission Meeting
   - December 15, 2003 Special Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

   - Valencia HOPE VI Financing Presentation
   - Agency Insurance Presentation

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT FIVE APPLICATIONS TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING IN PARTNERSHIP WITH THE SAN FRANCISCO CONSERVATION CORPS (SFCC)

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT AN APPLICATION TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR 504/ADA IMPROVEMENTS AT THE MILTON MEYERS GYM LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 795 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH

3 1223 06447 3508

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Walker vs. SFHA, Evans vs. SFHA, USA vs. SFHA, Beverly Williams vs. SFHA, Honywell, Inc. v. SFHA, Drummer vs. SFHA, Porter vs. SFHA, Howard vs. SFHA, Nance vs. SFHA, Lynch vs. SFHA, Bassett vs. SFHA, Cook vs. SFHA, Chim, Mejia vs. SFHA, Lewis vs. SFHA, McColm vs. SFHA, Turner vs. SFHA, Golden Bay Fence, Iron Works vs. SFHA, Fuller vs. SFHA, Ruiz vs. SFHA, Wendell Williams vs. SFHA, Martin vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street, San Francisco CA 94102, 415-554-1200

DATE: January 8, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Executive Director

RE: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT FIVE APPLICATIONS TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING IN PARTNERSHIP WITH THE SAN FRANCISCO CONSERVATION CORPS (SFCC)**

OVERVIEW

This Resolution authorizes the Executive Director to execute and submit five (5) applications for Community Development Block Grant (CDBG) funds in partnership with the San Francisco Conservation Corps. The applications are for Public Space Improvements for family developments.

Every year the Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issues a Request for Proposals for the Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs. As part of Mayor Office's vision and leadership, this economic activity is expressly directed to strengthening the economic and social health of lower-income neighborhoods and ensuring that economically disadvantaged persons or communities are provided real opportunities for participation and advancement.

For the first time, this year the Request for Proposals for the 2004-2005 CDBG and ESG funding will be through an internet-based application process. The Request for Proposals was issued by

MOCD on December 21st. The deadline for submitting applications is January 21, 2004.

The applications target specific criteria established for the proposals, including public open space improvements that benefit lower income users and disability access improvements.

The work, if funded by the Mayor's Office of Community Development, will be performed by the San Francisco Conservation Corps.

The applications were developed in a decision making process based on resident input, agency input and outside community organizations input as follows:

- **Resident Input:** The basis for the CDBG Applications was resident responses to the Capital Fund Program Evaluations and Reviews, which also complied with the CDBG funding criteria. All the attached applications respond to specific resident concerns and requests.

- **Agency Input:** The applications are also based on input from Customer service, Social Services, Maintenance, and Housing Development and Modernization, especially where they coincide with and supplement resident requests.

Funded projects are expected to begin construction after July 1, 2004 and prior to June 30, 2005. Complex construction projects have a maximum to 3 years from the beginning of program year to expend award.

FUNDING AVAILABILITY
CDBG average awards range from $37,600 per site for outdoor community space and $70,000 for playground equipment installation.

PROCUREMENT
NOT APPLICABLE

OBJECTIVES
In submitting these applications, the Authority intends to improve the quality of life of children, families and disabled residents, by upgrading outdoor recreation areas, which includes providing disabled access to outdoor improvements.

PRESENT SITUATION
Applications through the SFCC address the needs of children and families.

- Outdoor recreation and community space improvements include planters, barbecues, and furnishings. All facilities will be accessible to persons with disabilities.
  The outdoor community space improvements will become part of the landscape at various developments. The outdoor improvements at these sites will provide much needed community gathering places and recreational activities for children and families.

- Playground equipment and soft rubberized play surfacing have been included for four play areas. The construction of new playgrounds will either replace or provide new facilities for children in public housing residential developments to play in safe, decent and secure facilities that will be built to comply with all accessibility codes and regulations.

Following is a list of the proposed locations:

#	*LOCATION*	*PROJECT*
1.	Alice Griffith (Griffith @ Cameron)	Installation of new play structure and safety matting.
2.	Alemany (Along Alemany Blvd.)	Installation of garden, which includes several trellis and planter boxes.
3.	Robert B. Pitts (Various)	Benches, plants and decomposed granite pathways. Installation of garden, several trellis and planter boxes.
4.	Sunnydale (Behind Santos Street)	Installation of play structure and safety matting.
5.	Westside Courts	Removal of existing play structure and matting, install new play structure and matting.

ANTICIPATED OUTCOMES

If the CDBG proposal is funded, the anticipated outcome is as follows:

- Provision for outdoor community gathering and recreational space for family, children and the disable.
- Involvement of residents in training and employment.

WHO BENEFITS

Public housing residents will benefit from improved recreational facilities for families and persons with disabilities and employment opportunities. The neighborhood and City will benefit from better quality recreational opportunities, safer and more attractive public housing developments, and the knowledge that this is a lasting financial investment.

BUDGET CONSIDERATIONS

No matching funds are needed for these projects that will be totally funded through the San Francisco Conservation Corps from the CDBG.

RESIDENT EMPLOYMENT

If the CDBG proposals are funded, the San Francisco Conservation Corps will work with residents to design the playgrounds and the outdoor community spaces, and train and employ residents during the construction of the facilities.

MBE/WBE STATUS

Not applicable.

RECOMMENDATION

Because these improvements will add to the quality of life of residents, I recommend adoption of the Resolution.

(Materials Prepared by: Barbara Smith, Bob Dahlstrom, and Alicia Sisca, Housing Development and Modernization Department)

Dahlstrom, Bob

From: Dahlstrom, Bob
Sent: Monday, December 29, 2003 10:00 AM
To: Roetzer, Michael; Latosa, Rene; Esparza, David
Cc: Smith, Barbara; Sisca, Alicia; Lum, Herb; Martin, Donna; Owens, Julissa
Subject: SFCC CDBG Resolution

Importance: High

Mike, Rene and David:
Please review and vote on the attached Memo and Resolution today if possible. Note that no matching Authority funds are required.

This has to be presented to the Commission on January 8th because the CDBG application period is only 1 month and the deadline for submittals for funding is just before the second Commission meeting in January.
Thanks, Bob

SFCC 2004 CDBG Memo.doc

SFCC 2004CDBG Res.doc

Tracking:

Recipient	Read	Response
Roetzer, Michael	Read: 12/29/2003 10:57 AM	Approve: 12/29/2003 11:07 AM
Latosa, Rene	Read: 12/29/2003 10:31 AM	Approve: 12/29/2003 10:33 AM
Esparza, David		
Smith, Barbara	Read: 12/29/2003 10:40 AM	
Sisca, Alicia	Read: 12/29/2003 10:06 AM	
Lum, Herb		
Martin, Donna	Read: 12/29/2003 10:00 AM	
Owens, Julissa	Read: 12/29/2003 10:05 AM	

RESOLUTION NO. 5135
DATE ADOPTED 1/08/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT FIVE APPLICATIONS TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING IN PARTNERSHIP WITH THE SAN FRANCISCO CONSERVATION CORPS (SFCC)

WHEREAS, the Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issued a Request for Proposals for the 2004 Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs; and

WHEREAS, the Housing Authority of the City and County of San Francisco ("the Authority") has reviewed the application material and understands the recurring issues in the City such as the need for community gathering places and recreational facilities for families and disable residents of public housing; and

WHEREAS, the Authority has reviewed the Citizens Committee on Community Development (CCCD) findings and recognizes that the proposed applications for the five (5) outdoor community space improvements for family developments will meet some of the needs of the surveyed neighborhoods; and

WHEREAS, the Authority has prepared the applications based on the input of residents, Customer Service, Maintenance, Social Services, and the Housing Development and Modernization Departments; and

WHEREAS, this yearly program encourages partnerships with an organization that can provide these services and provide training and employment for residents of public housing, and the Authority has chosen to work with the San Francisco Conservation Corps (SFCC), and

WHEREAS, the SFCC has consistently proved to provide high quality services and training, employment and employment retention programs for residents of public housing; and

WHEREAS, the deadline for the applications is January 21, 2004.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute and submit five applications for the Year 2004 Community Development Block Grant (CDBG) Funding for five (5) outdoor community space improvements for family developments in partnership with the San Francisco Conservation Corps.

2. The President of the Board of Commissioners is authorized to execute the Applications on behalf of the Board of Commissioners.

3. The Resolution shall take effect immediately.

RESOLUTION NO. _____
DATE ADOPTED_____

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

1.02.04
Date

REVIEWED BY:

Gregg Fortner, Executive Director

1/2/04
Date

(Material prepared by B. Smith, R. Dahlstrom, and A. Sisca – Housing Development and Modernization)

B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street, San Francisco CA 94102, 415-554-1200

DATE: January 8, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Executive Director

RE: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT AN APPLICATION TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR 504/ADA IMPROVEMENTS AT THE MILTON MEYERS GYM LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 838 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH.**

OVERVIEW

Every year the Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issues a Request for Proposals for the Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs. As part of Mayor Office's vision and leadership, this economic activity is expressly directed to strengthening the economic and social health of lower-income neighborhoods and ensuring that economically disadvantaged persons or communities are provided real opportunities for participation and advancement.

For the first time, this year, Request for Proposals for 2004-2005 CDBG and ESG funding will be through an Internet-based application process that started on December 21st The deadline for submitting applications is January 21, 2004.

PROGRAM PRIORITIES

1. Construction related to multipurpose facility in which two or more agencies are providing services.
2. Construction directly related to fire, health and safety codes.
3. Construction related to increased utilization of space to allow for new and or expanded services, i.e., conversion of non-useable or administrative space for program use.
4. Construction projects that can be completed prior to June 30, 2005.
5. Construction projects that are in facilities accessible under the Americans with Disabilities Act (ADA).

The applications target specific criteria established for the proposals, including:

- **Preservation of existing and the development of new affordable neighborhood facilities**
  Activities that result in preserving and/or expanding facilities that provide vital services to lower income residents.
- **Neighborhood and community stabilization**
  Activities that promote the development of healthy neighborhoods such as family self-sufficiency, the preparation of economically disadvantaged individuals for employment, the strengthening and support of community development organizations, and other related activities.

The applications were developed in a decision making process based on resident input and agency input as follows:

- **Resident Input:** The resident responses to the CFP Evaluation and Review, which also complied with the CDBG funding criteria, and a recent survey conducted by resident leaders and tenants representatives at the Ping Yuen North and Hunters Point Developments, provided the basis for the CDBG Application. The attached applications respond to specific resident concerns and requests.

- **Agency Input:** The applications are also based on input from Housing Management, Social Services, Maintenance, and Housing Development and Modernization, especially where they coincide with and supplement resident requests.

- **Funded projects are expected to begin construction after July 1, 2004 and prior to June 30, 2005**. Complex construction projects have a maximum to 3 years from the beginning of program year to expend award.

FUNDING AVAILABILITY
CDBG average award ranges from $80,000 - $115,000.

PROCUREMENT
NOT APPLICABLE

OBJECTIVES
In submitting these applications, the Authority intends to improve the quality of life of residents by addressing the need for a more controlled and structured recreational programs for our youths, providing these services in renovated, accessible facilities.

PRESENT SITUATION
The Youth Center is planned to be develop at the 838 Pacific, Ping Yuen North Development. The Authority is planning to improve a little used storage room located near the existing Computer Learning Center and through remodeling the area, link both rooms to create a much-needed Youth Center. Existing lavatories will also be remodeled to be ADA/504 compliant.

The Milton Meyers Gym is located on SFHA property and is managed by the San Francisco Park and Recreation Department. Although an accessible route is in place at the facility, the basketball court and the bathrooms are not ADA complaint. The intent for this project is to make the entire facility accessible for the disabled.

ANTICIPATED OUTCOMES
If the CDBG proposal is funded, the anticipated outcomes are as follows:

- New utilization of space providing vital services to low and moderate-income residents.
- An increase in the number of accessible community facilities to provide improved services to persons with disabilities.
- Compliance with Federal, State and City accessibility codes reducing the Authority's liability exposure.
- Involvement of residents in training and employment

WHO BENEFITS
Ping Yuen North youth will benefit by having an on-site supervised meeting place for recreation and exposure to the Computer Learning center. Public housing residents will benefit from employment opportunities and economic development opportunities. Families, seniors and disabled will benefit from accessible and improved facilities. The neighborhood and City will benefit from accessible and improved facilities at the Milton Meyers's gym.

BUDGET CONSIDERATIONS
CDBG Program requirements for existing facilities rehabilitation: For CDBG grants of $100,000 or more, applicants must provide at least 15% of project costs by the beginning of construction or funds to pay for all architectural/engineering services and related pre-construction expenses.

Funds for A/E consultant services and related pre-construction expenses for this application are in the 2002 Capital Fund Program budget.

RESIDENT EMPLOYMENT
The Authority will procure a contractor that will be subject to HUD's Section 3 requirements and the Authority's requirement that residents perform a minimum of 25% of the work.

MBE/WBE STATUS
Contractors will be subject to the Authority's Affirmative Action Policies.

RECOMMENDATION

Because these improvements will add to the quality of life of residents, I recommend adoption of the Resolution.

(Materials Prepared by: Barbara Smith, Bob Dahlstrom and Alicia Sisca – Housing Development and Modernization Department)

RESOLUTION NO. 5136
DATE ADOPTED 1/08/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT AN APPLICATION TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR 504/ADA IMPROVEMENTS AT THE MILTON MEYERS GYM LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 838 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH.

WHEREAS, the Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issued a Request for Proposals for the 2004 Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs; and

WHEREAS, the Housing Authority of the City and County of San Francisco ("the Authority") has reviewed the application material and understands the recurring issues in the City such as the need for security, disability access, employment and training programs for low income residents of public housing; and

WHEREAS, the Authority has reviewed the Citizens Committee on Community Development (CCCD) findings and recognizes that the proposed application for 504/ADA Improvements at the Milton Meyers Gym Located At 195 Kiska Ave., at CAL 1-17A, Hunters Point; and the construction of a Youth Center at 838 Pacific Ave., at CAL 1-18 (6), Ping Yuen North, meet some of the needs of the surveyed neighborhoods; and

WHEREAS, the Authority has prepared the application based on the input of residents, Customer Service, Maintenance, and the Housing Development and Modernization Departments; and

WHEREAS, the submitted application requires the authorization of the Board of Commissioners and the signature from the Executive Director and the President of the Authority's Board of Commissioners; and

WHEREAS, the deadline for the applications is January 21, 2004.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute and submit applications to the Mayor' Office of Community Development for the year 2004 Community Development Block Grant (CDBG) funding for 504/ADA improvements at the Milton Meyers Gym located at 195 Kiska Ave., at CAL 1-17A, Hunters Point; and the construction of a Youth Center at 838 Pacific Ave., at CAL 1-18 (6), Ping Yuen North.

2. The President of the Board of Commissioners is authorized to execute the Application on behalf of the Board of Commissioners.

3. The Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

1.02.04
Date

REVIEWED BY:

Gregg Fortner, Executive Director

1/2/04
Date

(Materials Prepared by: Barbara Smith, Bob Dahlstrom and Alicia Sisca – Housing Development and Modernization Department)

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, January 8, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, January 8, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:04 p.m.

1. ROLL CALL

DOCUMENTS DEPT.

JUN - 8 2005

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Roll call found the following members to be:

PRESENT: *Julie Lee, President*
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner (arrived at 4:11 p.m.)
Betty J. Smith, Commissioner
Andrew Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Mr. Fortner asked that the agenda be amended to reflect the correct address of 838 Pacific Ave. and not 795 Pacific Ave. in item 11 B. Commissioner Clark moved to approve the agenda as amended. Vice President Brown seconded the motion. The motion to approve the agenda as amended was unanimously passed.

3. APPROVAL OF MINUTES

Mr. Fortner informed President Lee that she was not able to vote on the minutes of the December 15, 2003 Special Commission Meeting because she was not present. Commissioner Smith moved to approve the minutes of the December 11, 2003 Regular Commission Meeting. Commissioner Gans seconded the motion. The motion to approve the minutes of the December 11, 2003 Regular Commission Meeting was unanimously passed.

Commissioner Smith moved to approve the minutes of the December 15, 2003 Special Commission Meeting. Commissioner Gans seconded the motion. The motion to approve the minutes of the December 15, 2004, Special Commission Meeting was unanimously passed by those present at that meeting.

4. GENERAL COMMUNICATIONS

Gregg Fortner, Executive Director stated that included in the folder was the Commission Request Log detailing the pending staff assignments. Next was the memorandum of the Lease-Up Report. Mr. Fortner stated that the format of this particular report would soon be changed to reflect an update on how many units are ready and the activities done to increase the lease up numbers. The following item was the status of the PHTA elections. Mr. Fortner stated that at the last Commission meeting he reported that a PHTA election would be held on December 30, 2003, but because of the holidays and staff shortages, it was not completed. The date was pushed back to mid-February to ensure accuracy in the process and Joyce Armstrong will be leading it by contacting the various tenant associations. Mr. Fortner said that he hopes by the second meeting in February a representative will be seated next to Mr. Vitalie.

Commissioner Clark asked if all of the tenant associations on the list would be holding elections. Mr. Fortner answered no and explained that each tenant association has an election to select their council. Then, each council votes to elect a city-wide representative. Mr. Fortner stated that all of the Commissioners would be invited to the swearing in ceremony of the PHTA representative.

Vice President Brown asked why there is a discrepancy in the length of terms of the various tenant associations. Mr. Fortner answered that the length of terms depends on the by-laws of each tenant association. Commissioner Clark asked if it was possible for the Commissioners to assist in making the by-laws uniform as well as an organization that the Commission could provide input to or is the current system, where the tenants create their own by-laws better. Mr. Fortner answered that because resident bodies are independent entities, the SFHA only provides technical advice. The by-laws are governed and enforced by each resident council and not something that the Commission would get involved in.

The last document was in reference to President Lee's inquiry about the Commission's participation in the procurement process. Mr. Fortner stated that the highlight of the legal opinion was that if a Commissioner were involved in the procurement process, the Commissioner would have to excuse him or herself from voting on the matter when the resolution is presented. Commissioner involvement in observing the procurement process and establishing ad hoc committees to discuss individual procurements could be explored. Mr. Fortner then listed the correspondence that was delivered to the Commission on Friday. They were as follows: the request for qualifications that was publicly noticed on July 28, 2003, the apprenticeship program documentation regarding

Sonomarin, a preview of the Valencia Gardens financing, and the composition of the selection panel for the RFQ.

Commissioner Palega asked the Agency Counsel, Donna Martin if Sonomarin was required to work with the local apprenticeship board to recruit for vacant positions. Mr. Fortner redirected the question to Barbara Smith who was better prepared to answer the question. Ms. Smith stated that the contractor would work with the local chapter of the state apprenticeship program. Commissioner Palega asked Ms. Smith to get more information because Sonomarin had not contacted the local apprenticeship program. Commissioner Palega stated that his concern was that if they are not going to contact the local chapter, then where are they going to recruit the residents to participate in the project. Mr. Fortner stated that a legal opinion would be generated regarding this issue.

Commissioner Clark asked if the insurance document was apart of the General Communications. Mr. Fortner answered that it was a document from the Federal Procurement laws in regards to the insurance presentation and detailed how insurance can be sole sourced.

5. REPORT OF SECRETARY

Mr. Fortner announced that February 12, 2004 is a holiday for the Agency, but is also a date scheduled for a Commission meeting. Under other circumstances the meeting would be cancelled, but there is some business that must be handled. Mr. Fortner asked the Commission to begin thinking about an alternative day for the first Commission meeting in February.

Mr. Fortner introduced Barbara Smith and representatives from the agency's financial advisors, Mission Housing Development Corp., and legal advisors to give a briefing on the Valencia Gardens financing package.

Barbara Smith stated that they have a better sense of the deadlines for the state financing opportunities and that has enabled them to solidify the schedule. Ms. Smith stated that the proposal for Valencia Gardens is comprised of tax exempt financing, 4% tax credits, as well as the other financing previously discussed. The focus of the next few Commission actions will be the tax exempt financing and the tax credits. The Housing Authority is authorized under state law, to issue tax exempt bonds for the purpose of rebuilding affordable housing developments. Although the SFHA is the issuer, repayment of the bonds are based on Valencia Gardens' revenues and not the Housing Authority. Ms. Smith then invited Peg Stone of CSG Advisors to explain how the financing works and how much is available. Diane Jackson-McLean of Goldfarb and Lipman would explain the safety and assurances the SFHA has in this type of financing. Kenneth Jones of Mission Housing was present to discuss the schedule.

Commissioner Clark asked Ms. Smith if she was presenting anything to be voted on. Ms. Smith answered that it was purely informational to provide a preview before coming before the Commission to add to the team bond counsel and an underwriter, paid out of the bond issue. Other resolutions pertaining to the bond issuance would follow. Ms. Smith listed them as authorization to approve an inducement resolution, authorization to hold a TEFRA hearing, and authorization to submit an application to the California Debt Limit Allocation Committee. These are expected to take place over the next 4-6 weeks. The actual bond issue wouldn't take place until after the allocation was received from the California Debt Limit Allocation Committee. The application would probably be sent in February, a response is expected by April, and the bonds wouldn't be issued until the end of June or early July.

Ms. Stone explained that the Agency would assume a dual role that it has taken in prior developments. Most familiar is that of lending HOPE VI funds into projects, adding public housing subsidies for the residents and monitoring through the ground lease and HOPE VI funds. In addition, the Authority will be acting as the issuer of tax exempt bonds to finance housing. The role of the issuer is that they have the authority to borrow tax exempt, for certain purposes. The issuer goes to the state and gets an allocation of tax exempt bond authority. Bond counsel is employed to do the legal work and a banking investment firm is hired to sell the bonds. The Authority has no obligation to repay these bonds. The obligation to repay belongs to the developers, and the revenues of the project. The investment banking firm often underwrites them, and an insurer insures the bonds to improve its rating in the market. The SFHA is responsible for ensuring that there is compliance with the rules to make sure that its housing is affordable over time while the bonds are outstanding. It is common for the Agency to charge a fee for its monitoring role. The bonds will provide up to $40 million for most of the construction financing of the project. After the Agency receives the tax exempt bonds, the developer is allowed to go to the state and on a non-competitive basis get tax credits to sell to a private investor. The private investor puts equity into the project, which is estimated at $22 million. The project never has to repay this equity. The tax credit investor receives a tax shelter from the federal government and are more than compensated for the amount put into the project. Because the Authority is getting these tax exempt bonds, the SFHA is borrowing at a much lower rate and receiving additional funding permitted because of the bonds under the rules of the IRS.

Commissioner Clark asked how $22 million was chosen. Ms. Stone explained that tax credits have a formula for calculation. The IRS rules are that you take the eligible basis of the project and multiply it by the value of the tax credit over time. Then they are sold in the marketplace of tax credits and they are bid on. After review, it was determined that $22 million was a reasonable expectation of what could be raised. Commissioner Clark asked if the amount has anything to do with the projected rent. Ms. Stone answered no, only with the cost of the project itself.

Commissioner Palega asked what the projected total cost of the Valencia Gardens project was. Ms. Stone answered $66 million.

Commissioner Woodruff inquired about the expected deadline of February 15, 2004 and questioned if that date is set. Ms. Smith answered that the state agencies don't provide an exact date until 4-6 weeks before the due date. The due date is expected to be known by January 21, 2004. Commissioner Woodruff asked how that would affect the timeline. Ms. Smith answered that it wouldn't affect the timeline.

Diane Jackson-McLean gave a brief overview of the bond structure. She informed the Commission that the development team to be approved by the Commission has the primary role of protecting the bond holders. The bond counsel will be responsible for ensuring that the bonds are issued in accordance with the IRS code. Ms. Jackson-McLean stated that she would be making sure that the bond funds, housing funds and redevelopment funds are integrated to make the project work. One of the responsibilities of the bond counsel and underwriters is to ensure that the official statement adequately describes the project so that the bond holders are fully aware of the risk of the transaction.

Commissioner Clark asked if there was bond counsel and a banking firm already under consideration. Ms. Smith answered that 30 days ago an RFQ was put out for solicitation and the submissions were due that day. The normal procurement process was implemented and subject to Commission approval.

Vice President Brown asked for clarity as to whether the Authority would incur any costs if the partnership were to dissolve. Ms. Smith answered that the only SFHA money used to pay the bonds are HOPE VI funds. Ms. Stone added that bond holders give money to the SFHA and the SFHA in turn makes a loan to the partnership. The documents make very clear that the only repayment to the bond holders is that of the loan funds. If those funds are not repaid, the SFHA has no obligation to increase any lack of payment to the bond holders. The SFHA would retain a trustee. The loan would be repaid directly to them and the trustee would then pay the bond holders. It is understood that although the SFHA is the issuer of the bonds, the SFHA will not legally be on the hook for anything.

Commissioner Palega asked if that means that if the SFHA doesn't pay, they would not take the property. Ms. Stone answered that they may take the property, but the limited partnership owns the property for the 15 years of the tax credits. The SFHA will be ground leasing the property to the limited partnership. The bond holders would have the right to take the property, but the tax credits have such value that they would take it in a way to preserve the partnership. The SFHA will have the option to buy the property back at the end of 15 years. Ms. Stone explained that in the end there would be $13 million left to repay after construction is complete. She stated that the risk is very low and the rent will be used to pay off the margin. Ms. Jackson-McLean added that the SFHA would be entering into a typical loan structure of a loan agreement, regulatory agreement, and a deed of trust. The way that the property can be lost is through a foreclosure, but Ms.

Jackson-McLean contended that because the underwriting was so great that the risk is low. In addition, so many public agencies are involved that their loan documents provide them with the right to cure before it gets to that point. The loan is secured with a deed of trust.

President Lee asked if the deed of the trust was for the property only. Ms. Jackson-McLean answered that it was the lease only and not the fee. President Lee asked what the duration of the bond was. Ms. Jackson-McLean answered 30 years. President Lee asked if there was a general picture of the anticipated property income after it is built. Ms. Smith answered that she would provide the Commission with information of the projected income and expenses for the next 15 years. President Lee inquired about after the construction is complete would a conventional loan replace the existing loan. Ms. Smith answered yes and explained that the tax exempt financing becomes the conventional loan. Ms. Smith stated that the interest is lower because it is tax exempt and is expected to be 1 ½% below the conventional loans. The rate is fixed. President Lee asked how many units were to be built. Ms. Smith answered 260 units, of which 202 are public housing and Section 8. Forty eight units will be tax credit subsidized.

Commissioner Clark commented that there was no indication that a decision to use tax exempt bonds in the financing of Valencia Gardens had occurred. Ms. Smith responded that Valencia Gardens had always been structured as a tax exempt bond, 4% tax credit. Commissioner Clark asked when the decision was made to do so. Ms. Smith answered about 3-4 years ago the city, which provided part of the funding, and the SFHA agreed to use bond financing in the Valencia Gardens project.

Kenneth Jones of Mission Development encouraged everyone to be excited about the project and recapped what everyone had said.

In continuation of the Report of Secretary, Mr. Fortner introduced Dominica Henderson to facilitate the discussion of the SFHA insurance policy. Ms. Henderson introduced Robin Johnson of Driver Alliant, an independent insurance specialist, John Weber of Housing Authority Insurance, Ken Merrifield of Housing Authority Insurance, and Sandra Emmanuel or Housing Authority Insurance. Mr. Fortner added that the representatives of HAI had traveled from Connecticut to attend this meeting. Ms. Henderson stated that Mr. Johnson does not have any affiliation with the SFHA beyond appearing that day to provide insight into what are available options to the agency.

John Weber, Regional Claims Manager, explained that Housing Authority Risk and Retention Group (HAARG) was formed in 1987 under the federal risk retention act. Mr. Weber provided background information as to his experience in representing the SFHA. He stated that despite the fact that HAARG is located in Connecticut everyone that works for them has experience in working with housing authorities. A hard line is taken, fraud is sought out, and frivolous claims are not paid. This is done to protect the SFHA so that people with similar claims do not come forward just because someone else got paid. Mr.

Weber said that HAARG is looking out for the agency's bottom line. The attorneys and adjusters that HAARG employs have special experience in dealing with public housing and will not pass their regiment if they don't. For the last 10 years HAARG has used Koning and Associates to perform adjusting duties.

Commissioner Clark asked what the relationship between HAARG and Housing Authority Insurance Group is. Ken Merrifield answered that historically, public housing authorities had a difficult time finding insurance coverage, so various agencies nationwide performed analyses to determine if it was self sufficient for a risk retention group to find insurance and thus HARRG was formed. Within the Housing Authority Insurance Group is HARRG for general liability and sister casualty lines, Housing Authority Property Insurance, HTVN, which provides training and risk control, and Housing Environmental Risk Services (HERS), the operating company to write 501C3 non-profit organizations. Commissioner Clark then asked how long HAARG had been insuring the SFHA. Mr. Merrifield answered that HARRG had been insuring the SFHA's general liability since 1987 and the property insurance since 1998. Commissioner Clark asked what other policies HARRG has with the SFHA. Mr. Merrifield replied that the SFHA was recently given a quote for the SFHA boilers and machinery, HARRG writes the SFHA employee dishonesty coverage, and equipment coverage for the agency. Commissioner Clark asked if employee dishonesty coverage was professional liability insurance. Mr. Merrifield answered no. Commissioner Clark asked whether the SFHA carries that coverage with HARRG. Mr. Merrifield answered that HARRG covers the SFHA for general liability, public officials, employment practice, lead based paint, law enforcement, employee benefit liability, property, and fidelity.

President Lee asked if they were the only insurance company working with the SFHA. Ms. Henderson answered that a Unigard provides the SFHA auto insurance and a different company provides the boiler and machinery coverage. President Lee asked if HARRG provides auto insurance. Mr. Merrifield answered yes, but in the past when the SFHA approached HARRG for auto coverage, HARRG's pricing was not competitive.

Commissioner Clark asked what the SFHA claim history has been in the last couple of years. Mr. Merrifield answered that this year, the agency is doing very well with a 0% loss ratio. The policy was renewed in October of 2003. In 1999, the loss ratio was 114%, 2000-2001 172%, 2001-2002 167%, and in 2002-2003 it was 59%. To determine the property pricing, the last three pricing periods are examined. The last three loss periods were at 151% and 132% respectively. Commissioner Clark asked how much the SFHA is currently paying. Mr. Merrifield answered that property insurance the premium is $663,906 covering all public housing sites, administrative offices and warehouses. Demolished properties were taken off of the coverage. For general liability, the coverage is $1,007,072.00. Employee benefit liability is $301. Employment practice liability is $71,884. Law enforcement liability is $8,947. The lead-based paint coverage is $53,610 and mold is $12,824. Automobile may be dropped, but is currently $100. Public officials errors and omissions coverage is $46,920.

Mr. Fortner asked what law enforcement covers because the private security firms are required to carry their own coverage. Mr. Merrifield replied that it covers any law enforcement staff hired by the SFHA.

President Lee asked for more information on the Errors and Omissions coverage. John Weber stated that the errors and omissions is rolled into the Public Officials coverage. This coverage provides a defense against any type of claim involving SFHA public officials, including the Board of Commissioners, Executive Director, General Counsel, and employees within their scope of duties as employees. President Lee asked when this coverage was started. Mr. Weber answered that the Public Officials coverage began in 1988. The separate employment practice coverage began in 1998.

Mr. Fortner posed a scenario to Mr. Weber that if an employee does something or doesn't do something correctly out of negligence or incompetence, and the agency experiences a liability, would the agency be covered. Mr. Weber answered yes. Mr. Fortner said that a specific question would be asked in closed session.

President Lee asked what the coverage for Commissioners is. Mr. Weber replied that he had brought a copy of the policy and quoted it as, "Each of the following is also an insured to the extent indicated: your elected or appointed directors, officers, officials, and Commissioners, but only with respect to their duties as your directors, officers, officials, or Commissioners." President Lee asked for the coverage amount per person and case. Mr. Merrifield answered that the coverage is per occurrence and the amount is $1 million per occurrence subject to an annual aggregate of $2 million. HARRG will pay up to $2 million in one year.

Commissioner Palega asked if that would allow the Commissioners to obtain outside counsel if necessary. Mr. Weber answered yes.

Commissioner Clark asked if HARRG had experience a lot of claims filed against Commissioners. Mr. Weber answered that they had experienced very few, and in his fourteen years, perhaps twice. Normally, the plaintiff was trying to bring in as many parties as they possibly could to make the litigation more extensive and expensive to the insurance company in an effort to settle faster. Mr. Weber stated that HARRG did not settle any faster because of these tactics.

Vice President Brown asked if the SFHA still needs the lead based paint coverage because of the extensive lead abatement recently done. Mr. Fortner stated that lead abatement and lead containment has been performed, but because some of the properties are so old the SFHA is unsure of lead that may be in the walls. That is why the lead coverage is retained.

Commissioner Clark asked Mr. Johnson to step forward and if he had any current business with the agency. Mr. Johnson answered no. Commissioner Clark asked Mr. Johnson for his assessment of whether the SFHA is getting a good deal for the money spent on the current insurance coverage. Mr. Johnson stated that he had reviewed some documents prior to the meeting and the SFHA was receiving a very good rate, even with the $25,000 deductible. There were areas where the agency may want to obtain broader coverage for unlikely occurrences, but overall the coverage is standard with a good rate. Commissioner Clark asked what other coverage is available in the industry that might be of interest to the agency. Mr. Johnson stated that based on the agency's current coverage, he would be a little concerned about the valuation and coinsurance because the SFHA could be penalized or may not have enough limits to cover the properties. Mr. Johnson explained that the limitations are how much the agency will recover if there is a loss and currently the SFHA has an 80/ 20% limitation rate. Ms. Henderson added that the SFHA is in the process of obtaining an appraiser to reassess the value of all the properties so that the agency will not be penalized for coinsurance restrictions.

Commissioner Palega asked what the SFHA is insuring for and expressed concern that the SFHA is not matching the dollar for dollar issue by being underinsured. Commissioner Palega asked what percentage is covered by the insurance and if a major disaster happened, how much will the insurance company contribute towards rebuilding the property. Commissioner Palega also inquired about earthquake insurance. Mr. Johnson addressed the earthquake insurance issue. He stated that earthquake insurance is a concern for many of their clients, but most decline it after learning how expensive it is. FEMA tried to require all entities to obtain earthquake insurance, but the insurance industry could not handle it. Commissioner Palega asked what public entities do in the event of a major earthquake such as the recent one in Paso Robles. Mr. Johnson answered that they look to the state and to FEMA for assistance, but most public entities do not purchase it. Mr. Johnson suggested the possibility of the SFHA obtaining earthquake insurance for buildings essential to its operation. Mr. Merrifield addressed the issue of revaluation. He stated that HARRG is collaborating with the agency to increase the SFHA values. HARRG is in a position to offer 100% replacement costs, however Mr. Merrifield said that he did not believe the property values provided were at 100% of the replacement cost. Mr. Merrifield stated that he believed that the SFHA was reporting less than 80% of what the property was actually worth. Therefore, if the SFHA does not insure at least 80% of what a property is worth and were to experience a total loss, they would have to share in a percentage of replacing the property. In working with the SFHA, HARRG now knows the square footage, has accurate construction costs and if the buildings are sprinkled. Mr. Merrifield stated that he is not an appraiser but emphasized the importance of obtaining one to accurately assess the value of the agency's property. Commissioner Palega asked what amount HARRG has the value agency's property set at. Mr. Merrifield answered $393,180,508, which is a low value. In any single loss, the most the policy will pay is $100,000,000. Commissioner Palega asked what Mr. Merrifield estimated would be a sufficient amount of insurance. Mr. Merrifield answered over $550,000,000 because San Francisco is one of the highest places to replace property in

the country. Commissioner Palega stated that the information Mr. Merrifield provided was important so that if the question is posed to the Commissioners they can give an honest answer.

President Lee contended that it is the value of the land that raises the replacement cost and value of the real estate. Mr. Merrifield commented that HARRG uses an insurance to value guide which calculates reconstruction costs at $1.65 in San Francisco to every $1.00 in the rest of the country.

Commissioner Clark asked Mr. Merrifield to explain dividends. Mr. Merrifield answered that when HARRG was formed, part of the start up money to pay for losses was 50% of their premiums. The SFHA was one of the initial contributing members. Dividends are paid according to loss ratios and it has been a while since the SFHA has received any. In 1991 the SFHA was paid $16,000; in 1993, $2,700; in 1995, almost $50,000; and in 1998, approximately $18,000. Commissioner Clark asked if the SFHA could anticipate a dividend this year. Mr. Merrifield answered that it is too early to tell because the policy had just been renewed.

President Lee asked if it is possible for the SFHA to carry landlord insurance to deal with wrongful eviction suits. Mr. Weber answered that the SFHA is covered under personal injury liability under the general liability policy. President Lee asked if any dispute between the SFHA and a tenant for wrongful eviction is covered. Mr. Weber answered generally yes, but the wording of the claim and complaint would have to be examined to make a final determination.

Vice President Brown asked if there are other organizations that the SFHA can solicit when seeking insurance. Mr. Johnson answered that housing authorities are currently in a hard market, which makes it difficult to go to regular insurance companies to seek coverage. This is what prompted the formation of HARRG in the 1980s. There are joint power authorities on the west coast worth examining, such as CHARMA, and HARP, although HARP generally works with smaller housing authorities. Mr. Johnson explained that it all goes back to housing authorities coming together to self-insure.

Commissioner Clark asked if Mr. Johnson noted any other areas besides the valuation issue, where the SFHA was underinsured. Mr. Johnson stated that typically, general liability coverage obtained is about $10 million, whereas the SFHA only has $5 million. Commissioner Clark asked how much the SFHA premiums would increase if coverage was increased to $10 million. Mr. Merrifield answered that he would have to go to another company for the additional $5 million, so the SFHA would be at the mercy of their rates and he didn't know exactly how much that would cost. Other agencies had paid an additional $106,000 for the extra $5 million coverage, but that was just an estimate. If the SFHA experiences a good year as far as its loss rates, it could potentially decrease the premium amount. Mr. Merrifield said that he could obtain quotes of what the additional coverage would cost.

Commissioner Clark asked how much it would cost to get the property properly valued. Mr. Merrifield answered that he did no know. Ms. Henderson added that the SFHA is beginning the process to determine an estimate of the appraisal costs. When the solicitation process begins, the Commission will be informed of the estimated cost. Commissioner Clark asked if the valuation process was related to meeting the expectations of the independent auditors. David Esparza, Director of Finance answered that the RFP process had begun to obtain an appraiser. Commissioner Clark asked if that would assist the SFHA in determining the necessary insurance coverage. Mr. Esparza answered yes. Commissioner Clark asked of there are any glaring errors in the SFHA insurance coverage. Mr. Johnson answered that he didn't see any and insurance limits is a judgment call to be decided by each agency. Mr. Johnson added that the SFHA is not the only agency dealing with valuation issues and that will be a constant endeavor to maintain its accuracy.

Commissioner Woodruff asked Ms. Henderson if she knew how long the revaluation process would take. Ms. Henderson answered that she expected it to take about 6-8 weeks.

Mr. Merrifield commented that HARRG has a HUD bid waiver so that if an agency is insured with them, they do not have to go out to bid and obtain any paperwork coinciding with that.

President Lee inquired about demolished buildings and whether a rebate is received when they are taken off the policy. Mr. Merrifield answered that the premium does decrease when properties are taken off the policy.

Mr. Fortner thanked Mr. Weber, Mr. Merrifield and Mr. Johnson for coming down and working with Ms. Henderson and Ms. Martin. The insurance process had been reengineered over the last 6 months to a year, and they have discovered thousands of dollars of claims that had not been gone after. Mr. Fortner congratulated them for a job well done.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No Report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that the items and cases noticed on the agenda were to be discussed during the Closed Session.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President William Vitalie thanked Mr. Fortner, Ms. Boyd, and Commissioner Smith for attending their Volunteer Recognition Party. General elections would be held on Monday, January 12, 2004.

Public Housing Tenants Association (PHTA)

No representative was present.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

Rudy Hernandez of the San Francisco Conservation Corps reported that they have partnered with the SFHA for the last 15 years to implement the Mayor's Office of Community development public space improvements project at various public housing complexes. The SF Conservation Corps is seeking to continue this relationship in 2004 by improving public spaces in Alice Griffith, Alemany Housing, Robert B. Pitts, Sunnydale, and Westside Courts.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

Resolution No. 5135

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT FIVE APPLICATIONS TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING IN PARTNERSHIP WITH THE SAN FRANCISCO CONSERVATION CORPS (SFCC)

Alicia Sisca, Senior Project Manager Housing Development and Modernization presented this resolution. Ms. Sisca reported that the SFHA is planning to submit five applications to the Mayor's Office through the Conservation Corps to perform outside improvements in a number of public housing developments. Successful improvements have already been done in the Senior Buildings through the Conservation Corps with money provided by the Mayor's Office of Community Development. Now the focus will be on the family developments. Ms. Sisca informed the Commission that the applications are due on January 21, 2004 and this is the first year the SFHA would be submitting the applications electronically. After submitting the applications, staff will print them out and at the next meeting request the signing of the documents.

Commissioner Palega asked how much of the funding has to be provided by the SFHA or is it fully sponsored by the Mayor's Office of Community Development. Ms. Sisca answered that for the applications, the SFHA does not need to provide any funding. Everything will be done through the grant obtained by the SF Conservation Corps. Commissioner Palega asked what is the total amount asked for. Ms. Sisca answered that the total has not be determined, but the Conservation Corps is developing the budget. For playgrounds the budget is $75,000 - $100,000, for picnic areas $35,000 - $50,000. Ms. Sisca explained that the budget has not been completed yet because staff had to address the Commission earlier than expected, but the total will not be more than $300,000 for the five projects. Mr. Fortner indicated that on page 2 the average range of awards was detailed.

President Lee stated that the amount of money being applied for should be listed in the resolution. Ms. Sisca commented that the Conservation Corps is still working on the budget. President Lee said that approving a resolution with an unknown amount is very difficult for her. Mr. Fortner added that the agency is asking for money from somewhere else and does not have to pay anything.

Commissioner Palega reiterated concerns about the budget not being detailed in the report and the image that would present to the Mayor's Office of Community Development. Commissioner Palega stated that the Conservation Corps has enough experience to provide an estimate of the total budget. Commissioner Palega then asked how the sites are selected for the grant's usage. Ms. Sisca answered that the sites are selected through resident and agency input. Every year, surveys are sent to the residents of all the developments and to the property managers and administrators for feedback. This data provides the foundation for submitting the agency's needs to the Conservation Corps.

Vice President Brown stated that he was about to ask the same question because he didn't see areas such as Potrero Hill or West Point listed, which are definitely in need of improvements. Vice President Brown inquired as to whether resident input is sought. Ms. Sisca answered that a mailing is done in February or March of each year to acquire the residents' input. The responses are tallied and then submitted.

Commissioner Woodruff asked if the most responses were received from the five developments listed. Ms. Sisca answered yes.

Commissioner Palega expressed serious concern for the lack of work being done in Hunter's View despite the conditions of the outdoor facilities. He stated that it is hard for him to accept the fact that the people in Hunter's View do not want new playgrounds and outdoor picnic areas. Mr. Fortner explained that the issues Commissioner Palega addressed could be put into the capitol fund, but these projects relieve the capital fund through CDBG money, but it was not a comprehensive list of all the improvements to be done for the agency's properties. Commissioner Palega asked for a list of the information so that if the Commission is questioned regarding these issues they will have a sound answer. Mr. Fortner stated that the Commission has the information in the 5 Year Plan previously approved by the Commission.

Ms. Sisca explained that the amount of money to repair a playground on a hill far exceeds the grant amount and makes it difficult to use CDBG funding for improvements in certain areas.

Commissioner Smith asked if the properties identified are those most in need of improvements. Ms. Sisca answered yes, and they fit within the budgetary constrictions of the grant. Ms. Smith stated that she doesn't think they are the developments most in need. Mr. Fortner reiterated that resident input is a part of the process, but is not the only determining factor in choosing the sites for improvements. The budget plays a major role in which sites are selected. Ms. Sisca added that a playground is being built in Hunter's Point with CDBG money from last year. Capital fund money is also being contributed to building this playground. In response to Commissioner Palega's inquiry about Potrero Hill, Ms. Sisca stated that the SFHA does not have the funding to make the necessary improvements there. Commissioner Palega stated that people are always complaining about the children hanging out, but they are not being given an alternative to doing so.

Mr. Fortner stated that staff could report the budget to the Commission at the next meeting unless the Commission would prefer to have a special meeting before the January 22, 2004 regular meeting.

President Lee asked if Ms. Sisca could quickly tell the Commission how much they were going to apply for. Ms. Sisca answered that for Alice Griffith it was going to be between $80,000 and $100,000. President Lee asked if they have the numbers, why weren't they specified in the report. Ms. Sisca answered that the numbers were omitted because the ultimate responsibility for the budget is the SF Conservation Corps. Mr. Fortner said that we don't want to pass the buck and a special meeting could be called to divulge the specific numbers.

Commissioner Palega requested that the numbers be available at the next Commission meeting and moved to approve Resolution No. 5135. Vice President Brown seconded the motion. The motion to approve Resolution No. 5135 was unanimously passed.

Resolution No. 5136

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT AN APPLICATION TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR THE YEAR 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR 504/ADA IMPROVEMENTS AT THE MILTON MEYERS GYM LOCATED AT 195 KISKA ~~AVE.~~ ROAD, AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT ~~795~~ 838 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH

Alicia Sisca, Senior Project Manager of Housing and Modernization presented the details of this resolution. Ms. Sisca stated that representatives from the Milton Meyers Gym were present to provide information on their programs. Staff was also present to discuss the programs intended for the youth center at Ping Yuen North. Ms. Sisca added that she was unable to provide the budget for the projects when the memorandum was submitted, but she now had the numbers. For Ping Yuen North, the SFHA will be applying for $247,000 to remodel the storage area and incorporate the new teen center. It will also be used by the seniors and ran by the tenant's association of that development. The Milton Meyers Gym had two budgets. One was for accessibility upgrades equal to $281,000. After an assessment by the architects it was determined that the roof was in serious need of repair. That portion of the work is budgeted at $825,000. Alicia then introduced Belinda Morgan to discuss the programs.

Belinda Morgan, Director of Computer Learning Education and Community and Supportive Services stated that they are proposing an environment that creates a safe place to socialize and participate in recreational activities. Examples of the senior services are translation and referral services, bingo, chess, arts, crafts, news, sing along, lunch, music, snacks, movies, as well as exercise and health education. For the youth ages 5-12 will be provided with pizza, movies, arts, games, and crafts. For ages 13-17, pizza, movies, cultural celebration community projects, and integrated activities. These programs will also be coordinated with the Computer Learning Center. Additional partners will also be engaged to provide more programming. At the Milton Meyers Gym, Yo SF is active, Midnight Basketball, an after school tutorial program as well as health education.

Commissioner Palega asked what staff plans to do when Yo SF is not funded anymore, which is due to occur next year. Ms. Morgan stated that first they will survey the community to determine the need and then seek additional partners to provide services, funding and grant writing opportunities. Mr. Fortner added that funding would be sought

in order to continue providing the services, but the same federal funding challenges facing Yo SF are affecting the SFHA's funding as well.

Vice President Brown asked if the SFHA has to provide the 15% of the funding up front or if the applications are not submitted the agency's funding is not necessary. Ms. Sisca answered that the 15% must be provided up front, but if the SFHA doesn't receive the funding, the SFHA does not spend any money. Vice President Brown asked who will perform the work. Ms. Sisca answered that the typical bidding process will be employed and it will come back before the Commission.

Vice President Brown moved to approve Resolution No. 5136. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5136 was unanimously passed.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

There were no public comments on items not on the agenda.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Clark inquired about the valuation process of the RFQ for development. Rene Latosa explained that the valuation process is confidential until awarded. About a dozen were received. Mr. Fortner stated that the Commission could be provided with what the agency received, for what sites, as well as the developers names, as long as the Commissioner is not involved in the evaluation process. Commissioner Clark asked if the SFHA received proposals for each of the 18 sites because only 12 responses were received. Mr. Latosa explained that some of the 12 might go out to multiple developments. Mr. Fortner stated that the information could be provided to the Commission on a confidential basis.

Commissioner Clark stated that he would like to sit in and monitor the procurement process for his own education. Mr. Fortner replied that Commissioner Clark would be provided with a schedule after the panels are formed and there would be further debate on what level of participation the Commission can have in the procurement process.

Commissioner Clark inquired whether it was possible that one contractor would provide the development for such a large portion of our total units. Mr. Fortner answered that the process hasn't played out as far as what proposals are feasible and therefore could not answer that question. Mr. Fortner stated that none of the 12 proposals were for all 3,500 units.

Commissioner Clark asked if the selection panels had begun their work yet. Mr. Fortner answered no. Commissioner Clark then asked if the selection panels had been formed yet. Mr. Fortner answered no. Commissioner Clark stated that the evaluation was to

begin in 2003 but wanted to know if they were now going to begin in 2004. Mr. Fortner explained that the schedule is off due to the political inquiries received during the process. Commissioner Clark requested the timeline for the selection panel and the work to be performed by them.

Commissioner Gans requested an update on the Alemany Community Development Center and more information on the PG&E energy program.

President Lee encouraged everyone to work with the new mayor, Gavin Newsom and that she would miss the old mayor.

14. CLOSED SESSION

President Lee announced that the Commission had concluded its public business and would go into closed session. A Closed session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Walker vs. SFHA, Evans vs. SFHA, USA vs. SFHA, Beverly Williams vs. SFHA, Honywell, Inc. v. SFHA, Drummer vs. SFHA, Porter vs. SFHA, Howard vs. SFHA, Nance vs. SFHA, Lynch vs. SFHA, Bassett vs. SFHA, Cook vs. SFHA, Chim, Mejia vs. SFHA, Lewis vs. SFHA, McColm vs. SFHA, Turner vs. SFHA, Golden Bay Fence, Iron Works vs. SFHA, Fuller vs. SFHA, Ruiz vs. SFHA, Wendell Williams vs. SFHA, Martin vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations). The Commission went into closed session at 6:31 p.m.

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 7:33 p.m. President Lee stated that Commissioner personal conduct was discussed in Closed Session and everyone agreed to postpone further discussions until the next meeting. Present were President Lee, Vice President Brown and Commissioners Smith, Gans, Palega, Clark and Woodruff.

16. ADJOURNMENT

Being no further business to come before the Commission, Vice President Brown moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Lee adjourned the regularly scheduled meeting of January 8, 2004 at 7:34 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JANUARY 13, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
January 13, 2004

DOCUMENTS DEPT.
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1. ROLL CALL

   George R. Brown, President
   Betty J. Smith, Vice President
   Sululagi Palega, Sr., Commissioner
   Julie Lee, Commissioner
   Neola Gans, Commissioner
   Rev. Amos Brown, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - December 9, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

   - Certificates of Retirement for: Joreatha Abrahams, Salvador Duenas, Andres Santana, Lawrence Andrews

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF GENERAL COUNSEL

8. TENANT REPRESENTATIVE REPORT:
City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MECHANICAL SOLUTIONS TO PROVIDE MECHANICAL ENGINEERING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section §54956.9 (b)(1) to discuss potential litigation.

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JANUARY 22, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
January 22, 2004

DOCUMENTS DEPT.
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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Andrew J. Clark, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - January 8, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE SAN FRANCISCO ELEVATOR COMPANY TO PROVIDE FULL ELEVATOR MAINTENANCE SERVICES AND EMERGENCY REPAIRS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT OF $595,000.00 FOR TWO YEARS WITH THE SECOND YEAR SUBJECT TO THE CONTRACTOR'S PERFORMANCE AND SUBJECT TO THE AVAILABILITY OF FUNDS

(C) RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

- ANNOUNCEMENT REGARDING THE FIRST MEETING IN FEBRUARY

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Walker v. SFHA, Evans v. SFHA, USA v. SFHA, Beverly Williams v. SFHA, Honeywell, Inc. v. SFHA, Drummer v. SFHA, Porter v. SFHA, Howard v. SFHA, Nance v. SFHA, Lynch v. SFHA, Bassett v. SFHA, Cook v. SFHA, Chim, Mejia v. SFHA, Lewis v. SFHA, McColm v. SFHA, Turner v. SFHA, Golden Bay Fence, Iron Works v. SFHA, Fuller v. SFHA, Ruiz v. SFHA, Wendell Williams v. SFHA, Martin v. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: January 9, 2004

TO: San Francisco Housing Authority Commission
Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr. Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Executive Director

SUBJECT: RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

OVERVIEW

At its May 8, 2003 meeting, the Commission adopted resolution number 5098 ratifying the Memorandum of Understanding (MOU) between the San Francisco Housing Authority and the Services Employees International Union (SEIU) Local 790, AFL-CIO.

Established in the MOU was the provision that the SFHA would increase its medical premium payment to 45% for all retirees effective January 2004 and an increase to 80% effective January 2005. This increase also applies to retirees in positions covered by the Municipal Executives' Association (MEA) and confidential employees.

To implement these changes, CalPERS requires a resolution acknowledging the increase of payment by the SFHA. The resolution must be formatted and worded as specified by CalPERS.

ANTICIPATED OUTCOME

To implement the provision of the MOU as it pertains to the payment of the medical premiums for retirees.

WHO BENEFITS

The SFHA will benefit by complying with the previously ratified MOU provision. The retirees benefit by deriving an economic benefit since the SFHA will be paying a larger percentage of the medical premiums.

BUDGET CONSIDERATIONS

The cost associated with the execution of this action have been budgeted and will be cost allocated as appropriate in accordance with Federal Regulations to various funding sources of the SFHA. The cost for the calendar year beginning January 2004 is $50,070.00. Since the cost for medical premiums is unknown for next year the cost associated with the increase to 80% cannot be determined at this time.

RECOMMENDATION

Adopt the resolution for paying an increase to 45% of the medical premiums for retirees effective January 2004 and an increase to 80% of the medical premiums effective January 2005.

RESOLUTION NO. 5137

DATE ADOPTED 1/22/04

RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, Government Code Section 22852.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less that the amount required under section 22825 of the Act; and,

WHEREAS, Government Code Section 22857 provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts provided that the monthly contribution for annuitants shall be annually increased by an amount not less than 5 percent of the monthly contribution for annuitant, until such time as the amounts are equal; and

WHEREAS, San Francisco Housing Authority is the local agency contracting with the Public Employee's Retirement System; and therefore be it

RESOLVED, that the employer's contributions for each annuitant, regardless of the health benefits plan selected, or the number of his/her dependants/family members enrolled in such plan, shall be in accordance with the following schedule:

CODE	BARGAINING UNIT	CONTRIBUTION PER MONTH JANUARY 2004
00	Municipal Executives' Association	45% of premium cost with no dollar cap
01	SEIU, Local 790	45% of premium cost with no dollar cap
02	Unrepresented Employees	45% of premium cost with no dollar cap
03	Confidential Employees	45% of premium cost with no dollar cap

CODE	BARGAINING UNIT	CONTRIBUTION PER MONTH JANUARY 2005
00	Municipal Executives' Association	80% of premium cost with no dollar cap
01	SEIU, Local 790	80% of premium cost with no dollar cap
02	Unrepresented Employees	80% of premium cost with no dollar cap
03	Confidential Employees	80% of premium cost with no dollar cap

Plus administrative fees and Contingency Fund assessments

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

DONNA MARTIN, General Counsel

GREGG FORTNER, Executive Director/Secretary

Signed: _____

Attest: _____

B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: JANUARY 22, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO TWO-YEAR CONTRACT WITH THE SAN FRANCISCO ELEVATOR COMPANY TO PROVIDE FULL ELEVATOR MAINTENANCE SERVICES AND EMERGENCY REPAIRS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT OF $595,000.00 FOR TWO YEARS WITH THE SECOND YEAR SUBJECT TO CONTRACTORS PERFORMANCE AND SUBJECT TO THE AVAILABILITY OF FUNDS.

OVERVIEW

This Resolution will authorize the Executive Director to enter into a two-year contract with the highest-ranked, best value elevator maintenance firm. This contract will provide the San Francisco Housing Authority (Authority) with qualified and reliable elevator services for the next fiscal year with the potential for one additional year.

The Authority operates 51 elevators at 31 development sites, many in aged and marginally serviceable condition. The Authority does not have in house staff with the specialized expertise required to take corrective actions. This contract will provide specialized expertise and reliability to keep our elevators operational and safe for our residents.

Objective
The objective of this contract is to provide the Authority with competent professional elevator maintenance and repair services. **Many of our elevators are located in the senior and disabled buildings, and safety, reliability and responsiveness by the contractor must be the number one priority.**

The preventative maintenance and emergency services include but are not limited to the following:

- Providing all supervision, labor, materials, tools, equipment and services necessary to inspect, lubricate, adjust, replace or repair equipment in strict accordance with the preventative maintenance schedule.
- Performing an annual load test of each elevator and test, adjust repair, and/or replace any defects necessary to meet State of California load tests and submit reports to State of California and the Authority.
- Submitting to the Authority monthly services records, including repair work reports, call back reports, and semi-annual inspection reports for each elevator serviced under this contract.
- Responding to all service callbacks for elevator shutdowns during normal business hours to perform all adjustments and/or repairs for developments having multiple elevators.
- Responding to service callback twenty-four (24) hours a day, seven (7) days a week for developments with one elevator.
- Providing Emergency Service, twenty-four (24) hours a day, seven (7) days week to remove a person who is trapped in an elevator, to remedy a potentially life threatening situation, or to correct a situation which will cause further damage to the elevator.

Procurement
The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Authority and all public agencies in California are required by State and Federal law to select an elevator company on the basis of qualifications, past experience, and best value to the agency.

Solicitation Process
The Maintenance Department and the Procurement Department developed this specific RFP document based on the Authority's master procurement documents.

Solicitation No. 03-285-RFP-046 was issued on June 23, 2003. Announcement of the RFP was placed on the San Francisco City Purchasing Department and the San Francisco Housing Authority websites. Announcements and RFP packets were mailed directly to seven (7) prospective elevator companies.

Four (4) proposals were received on the July 28, 2003 due date. After reviewing the written responses, the Evaluation Panel interviewed all firms:

S. F. Elevator
Atlas Elevator
All Cities Elevator
D&D Elevators

Evaluation Panel Members
The members of the evaluation panel included staff from the Maintenance Department (Ron Fazzio, Alex Chanco) and Architect (Steve Haines) from the Housing Development and Modernization Department. The members all have expertise in public housing maintenance and familiarity with the performance and maintenance of the Authority's elevators.

Evaluation Process
In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed the written Request for Proposals and past performance. At the same time, staff checked the references provided by each firm and provided the results to the Evaluation Panel members. After the interviews, the Evaluation Panel prepared a final evaluation and scoring to select the firm with the highest technical qualifications.

Evaluation Criteria
Listed below are the evaluation criteria and their relative weight. The evaluation criteria are based on the Authority's standards for Request for Proposal and questions and weighing contained in the Authority's Procurement Procedures Manual. The Director of Contracting/Procurement Division approved the criteria and weighting given to each.

NO.	CRITERIA & REASON	WEIGHT
A	Criterion: Firm's understanding of the Scope of Services	40 points
B	Criterion: Firm's Experience and ability to perform the work	35 points
C	Criterion: Firm's customer references	20 points
D	Criterion: Firm's Affirmative Action practices.	10 points
	Total	105 points

The scores resulting from the written proposals, the interviews and prices are confidential until after award

Evaluation Panel Conclusions
By their technical scoring and ranking, the Evaluation Panel determined that San Francisco Elevator Company was the top-rated firm with the highest combined written and interview score. The San Francisco Elevator Company is large enough to provide the expertise, immediate response and maintains a huge inventory. The other companies were smaller, had fewer staff and one firm stated they would have to hire additional staff in order to service our developments. This attributed to a lower technical score by the evaluation panel. The **ability to respond** in a timely manner and having the expertise to correct the situation without delays is a very critical consideration in a service area such as elevator repairs and services.

The San Francisco Elevator Company has a **huge inventory** because of the large customer base they service. This is a very important quality for a firm to provide. **The delay of obtaining parts could mean downtime and delays in the repair of our elevators. Downtime is a potential danger and safety hazard especially for our senior and disabled residents who may experience difficulty in climbing stairs.**

Several of the customer references/comments of the San Francisco Elevator Company described them as "excellent". The firm's experience, responsiveness to emergency repairs, and customer service is important to the San Francisco Housing Authority because it is vital to establish a solid working relationship with a company we can trust to provide the best and safest possible service.

PRESENT SITUATION
The Authority does not have a comprehensive preventive maintenance program and is repairing elevators on a case-by-case basis. The SFHA desires to build a working relationship with the contractor to develop a pro-active elevator program.

ANTICIPATED OUTCOMES
- The Authority will receive quality elevator maintenance service.
- The Authority will have an expeditious method of obtaining emergency repairs for all SFHA elevators.
- The contractor will provide the expertise, recommendations and propose plans for corrective actions and maintenance activities.
- The Authority will maintain compliance with the strict Elevator Safety Orders of the Division of Industrial Safety of the California Department of Industrial Relations and with all Federal, State and City Codes and Regulations.
- **The Authority will be able to provide a safe, reliable elevator service especially to our senior and disabled residents.**

WHO BENEFITS
Residents benefit from having appropriate elevator maintenance services for all contracted and elevator work and elevator maintenance work. Poorly designed and poorly maintained elevators run the risk of safety hazards and code violations. Improper elevator service greatly reduces the

service greatly reduces the quality of life for residents. Residents also benefit by the Authority's ability to respond quickly to emergency situations. The Authority benefits by obtaining professional guidance to allocate scarce resources to achieve the maximum results in elevator system operations.

BUDGET CONSIDERATIONS
Funding for this years contract is immediately available within the FY2004 Low Rent Operating and Capital Fund Program Budget. The second year is subject to the availability of funds.

RESIDENT EMPLOYMENT
San Francisco Elevator Company has agreed to hire public housing residents to meet or exceed the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000. They have contacted the Authority's resident hiring specialist to seek out and interview qualified Authority residents for job opportunities in their office.

MBE/WBE STATUS
San Francisco Elevator Company is a small local Business Enterprise. It has a diverse workforce in its office and has provided an Affirmative Action Acknowledgement form that meets the requirements of Executive Order 11246. It is not a MBE/WBE firm.

RECOMMENDATION
Recommend approval of this Resolution.

RESOLUTION NO. 5138
DATE ADOPTED: 1/22/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO TWO-YEAR CONTRACT WITH THE SAN FRANCISCO ELEVATOR COMPANY TO PROVIDE FULL ELEVATOR MAINTENANCE SERVICES AND EMERGENCY REPAIRS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT OF $595,000.00 FOR TWO YEARS WITH THE SECOND YEAR SUBJECT TO CONTRACTORS PERFORMANCE AND SUBJECT TO THE AVAILABILITY OF FUNDS.

WHEREAS, the San Francisco Housing Authority (Authority) requires a vendor who can provide full elevator maintenance services on an as-needed, task assignment basis; and

WHEREAS, the Authority has no existing maintenance services, and

WHEREAS, the Authority has budgeted funds in the low rent operating program for the elevator maintenance services; and

WHEREAS, San Francisco Elevator Company has been selected through the Request for Proposal process as the **most qualified firm** for this work; and

WHEREAS, funding is available within the Low Rent Operating and Capital Fund Program Budget; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract with The San Francisco Elevator Company for full Elevator Maintenance services on an as-needed, task assignment basis for all developments in a total amount not-to-exceed $595,000.00 for two years. The second year is subject to the availability of funds and contractors performance.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 1-16-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 1/16/04

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: January 16, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

OVERVIEW

This resolution requests Commission authorization to hold a TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) public hearing to discuss approval of the issuance and delivery of multifamily revenue bonds (tax exempt bonds) by the Housing Authority of the City and County of San Francisco (the Authority) to assist in financing the new Valencia Gardens HOPE VI housing development.

OBJECTIVES

Approval of this resolution will enable the Authority to publicly notice and hold a TEFRA hearing to discuss the Authority's proposed issuance of multifamily revenue bonds for Valencia Gardens and take comments from the public on the proposed financing. This public hearing must be duly noticed 15 days before it is held and must take place prior to submission of an application to the California Debt Limit Allocation Committee (CDLAC) for authority to issue the bonds. Proof of the notice must be submitted with the CDLAC application. Since the deadline for submission of an application to CDLAC is expected to be February 18, 2004, the notice must be published the last week of January 2004.

PRESENT SITUATION

In order to facilitate the financing of Valencia Gardens, the Commissioners are being asked to authorize the Authority to act as the issuing entity for up to $40 million in tax exempt bonds. The Authority is a public body corporate and politic of the State of California, pursuant to the provisions of the Constitution of the State and pursuant to Chapter 1 of Part 2 of Division 24 (commencing with Section 342000 of the California Health and Safety Code), as amended (the "Act"). As such, the Authority is empowered to issue revenue bonds and loan the proceeds to a private developer for the construction of developments like Valencia Gardens. In acting as issuer, the Authority does not assume any legal or moral obligation to repay these bonds: only the pledged security for the bonds and project cash flows may be used to repay the bonds.

In order to have the Authority act as issuer, the Commissioners will be asked in February to adopt an Inducement Resolution stating the intent of the Authority to issue tax-exempt bonds for reconstruction of Valencia Gardens. The Commission will also be asked to authorize submission of an application to the California Debt Limit Allocation Committee (CDLAC) for authority to issue tax-exempt bonds and authorize execution of documents pertaining to the mixed financing and entering into a limited partnership agreement.

The Authority will apply to CDLAC for authorization to issue tax-exempt bonds for Valencia Gardens. Mission Housing Development Corporation (MHDC) will then be able to apply to the Tax Credit Allocation Committee (TCAC) for the tax credit allocation on a non-competitive basis since Valencia will be getting CDLAC authorization to issue tax-exempt bonds.

Qualified Bond Counsel and Underwriter are being added to the Authority's advisory team to carry out the bond issue currently comprised of CSG Advisors, Goldfarb Lipman and Authority staff. Bond Counsel passes on the validity of the Bonds under state law and the tax-exempt status of the Bonds under federal and state law. Bond Counsel also drafts the main financing documents such as the Indenture, Loan Agreement, Regulatory Agreement and closing papers. The Underwriter structures the bond issue, assists the project owner in choosing the optimal financing structure, coordinates financing participants, obtains bond rating and sells the bonds. Both Bond Counsel and Underwriter will be paid out of the bond proceeds once the bonds have been successfully issued.

The amount of tax-exempt bond proceeds will be sized to meet the minimum requirements of Section 142 of the IRS code so that the project is eligible for 4% tax credits on its entire eligible basis. The percentage of tax-exempt bond financing to the development cost of $64,719,741 is 57.17%, well above the 51% minimum required to make the project eligible for four-percent tax credits. The Authority will not be pledging any of its assets as the issuer of the bonds. The bonds will be special limited obligation bonds that will be repaid from Valencia Gardens' project-specific resources.

The deadline for submission of applications for bond allocations through CDLAC is expected to be February 18, 2004. The timeline for actions that require Commission approval prior to submission of an application to CDLAC is as follows:

January 22, 2004	Authorize the Executive Director to hold a TEFRA public hearing to discuss approval of the bond issue and describe the development that is being financed.
February 12, 2004	Authorize selection of Bond Counsel to assist with structuring the Bond Issue and to render Legal Opinions regarding the Bond Issue.
February 12, 2004	Authorize selection of an Underwriting Firm to assist with marketing the bonds and setting up an investment agreement for the bond proceeds.
February 12, 2004	Adopt an Inducement Resolution authorizing the Executive Director to reimburse eligible Valencia development expenditures from proceeds of the bond issue indebtedness that will be repaid with HOPE VI funds and permanent mortgage financing.
February 12, 2004	Authorize the Executive Director to submit an application to CDLAC for approval to issue tax-exempt bonds in an amount not to exceed $40 Million. Applications are expected to be due by February 18, 2004 and allocations made by April 15, 2004.
July 1, 2004	Authorize the Executive Director to issue up to $40 Million in tax-exempt bonds and execute documents in connection with the issuance. Bond issues must be made within 90 days of receiving a CDLAC allocation.

Prior to actually issuing the bonds, the Commission will be asked to authorize the issue and execution of the following documents related to the transaction:

- ***Official Statement*** – describes the transaction to bond purchasers; gives required disclosures
- ***Trust Indenture*** – provides for trustee to control issuance of bonds, use of bond proceeds and repayment on behalf of bondholders
- ***Loan Agreement*** – Authority loans bond proceeds to the partnership, the partnership is obligated to repay the loan to the Authority, and the Authority is obligated to repay the bondholders.
- *Regulatory Agreement* – agreement that includes the required affordability requirements to be recorded against the project as a condition of the issuance of tax-exempt bonds.
- ***Bond Purchase Agreement*** – agreement by the underwriter to purchase the bonds from the Authority.

- *Escrow Agreement* – agreement between the Authority and the limited partnership to form an escrow account that will be use to repay the bonds.

The schedule outlined above for application to CDLAC in February will enable the next critical steps to take place including: submitting the Mixed Finance Proposal/Rental Term sheet to HUD by June 30, 2004, issuing bonds by early July, prior to the expected July 10, 2004 CDLAC 90 day deadline, submitting evidentiaries to HUD by July 30, 2004, obtaining HUD approval for closing by September 30, 2004 and starting construction on Valencia Gardens by the end of October. Adhering to this schedule is a priority goal for the Authority in order to meet HUD checkpoint deadlines and complete the Valencia Gardens revitalization process within the time currently allowed by HUD.

BUDGET CONSIDERATIONS

This resolution does not bind the Authority to make any expenditure, incur any indebtedness or proceed with the issuance of bonds in order to finance the revitalization of Valencia Gardens. The Authority shall have no liability whatsoever with respect to the bonds. Additional documents related to the issuance of bonds will be submitted to the Commission for approval prior to issuance of the Bonds expected in July of 2004.

The financing plan for Valencia Gardens includes up to $40 million in tax-exempt (below market rate) bond funds for construction financing. Utilization of the bond funds will also provide access on a noncompetitive basis to 4% tax credits for $23.1 million in tax credit equity. By acting as issuer, the Authority allows the project to seek private activity bond allocation in the first round of State allocations in 2004.

WHO BENEFITS

The Valencia Gardens residents, the Authority, the Mission District neighborhood and the City all benefit from securing all of the financing and the successful and expeditious implementation of this plan for safe well-designed housing and amenities at this site.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith, Housing Development and Modernization Department)

DRAFT
PUBLIC NOTICE

NOTICE is hereby given that the Housing Authority of the City and County of San Francisco ("The Local Authority") will hold a public hearing on January 13, 2004 at 10:00 a.m. P.S.T. at the ground floor Commission Room at 440 Turk Street, SF, CA 94102 to discuss approval of the execution and delivery of Revenue Bonds ("the Bonds") by the Local Authority for financing the construction of the development described below.

VALENCIA GARDENS: Proposed construction of 260 residential affordable and public housing townhouses, apartments and flats in 16 three and four story buildings. The site is located at 1792 15th Street.

AMOUNT: The total principal amount for the bonds shall not exceed $40,000,000.

OPERATOR: The owner/operator will be a limited partnership formed by affiliates of Mission Housing Development Corporation and the Local Authority. This notice is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Those wishing to comment on the financing of this project may either appear in person at the public hearing and/or submit written comments to the address below, which must be received prior to the hearing.

Barbara Smith, Housing Development Administrator
San Francisco Housing Authority
1815 Egbert Avenue
SF, CA 94124

RESOLUTION NO. 5139

DATE ADOPTED: 1/22/04

RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

WHEREAS, the Housing Authority of the City and County of San Francisco (the Authority) and the United States Department of Housing and Urban Development ("HUD") executed a HOPE VI Grant Agreement (the "Grant Agreement") for $23,230,641 of HOPE VI funds to financed the revitalization of the Valencia Gardens public housing development (the "Project"), which will consist of the demolition of the existing two hundred forty six (246) apartment units on the property (the "Existing Units"), and the new construction of two hundred and sixty (260) apartment units and up to eleven thousand (11,000) square feet of community facilities, childcare center, community learning center and property management offices ;

WHEREAS, the Commissioners of the Authority (the "Commissioners") adopted Resolution #4940 on October 26, 2000, authorizing the Executive Director to execute a Memorandum of Understanding and Predevelopment Loan Agreement with Mission Housing Development Corporation (MHDC), as amended by Resolution #5088 on March 13, 2003, as evidenced by that certain Amended and Restated Memorandum of Understanding (collectively, the "MOU") for the purpose of negotiating the terms and conditions of the DDA (as defined below), for the revitalization of the Valencia Gardens public housing site under the HOPE VI program;

WHEREAS, on November 13, 2004, the Commissioners adopted Resolution #5129 making findings in connection with environmental review of the Project; authorizing the Executive Director to enter into a Disposition and Development Agreement (the "DDA")with MHDC; and authorizing the Executive Director to negotiate HUD evidentiaries for the HOPE VI revitalization of Valencia Gardens;

WHEREAS, the Project will be financed with HOPE VI funds, funds from the San Francisco Redevelopment Agency (the "Agency"), funds from the State Department of Housing and Community Developments, multifamily housing revenue bonds (tax-exempt bonds), low income housing tax equity, and private financing; and MHDC has requested that the Authority issue the tax exempt bonds in an aggregate principal amount not to exceed $40 million (the "Bonds") to assist in the financing of the Project;

WHEREAS, the Bond proceeds will be loaned (the "Loan") to a limited partnership, to be formed pursuant to the DDA (the "Borrower"), for the purpose of financing a portion of the Project;

WHEREAS, in order to apply to the California Debt Limit Allocation Committee (CDLAC) for authority to issue tax exempt bonds, the Authority must first hold a duly noticed public hearing (also know as the TEFRA hearing) to describe the Valencia Gardens housing proposal and its intent to issue tax exempt bonds with proof of the hearing;

WHEREAS, additional documents related to the issuance of Bonds will be submitted to the Commission for approval prior to issuance of the Bonds expected in July of 2004; and

WHEREAS, all such documents will be subject to any required HUD approvals, as well as approval by Authority legal counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The above recitals are true and correct.

2. The Authority is hereby authorized to provide legal notice and schedule the TEFRA hearing.

3. This Resolution does not bind the Authority to make any expenditure incur any indebtedness or proceed with the issuance of Bonds in order to finance the revitalization of Valencia Gardens. The Authority shall have no liability whatsoever with respect to the Bonds.

4. The maximum principal amount of the tax-exempt bonds to be issued for the Project is $40,000,000.

5. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Mart

DONNA MARTIN, General Counsel

Date 1.16.04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 1/16/04

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, January 22, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, January 22, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:11 p.m.

DOCUMENTS DEPT.

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1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

ABSENT: *George R. Brown, Vice President (excused)*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Mr. Fortner asked that the agenda be amended to remove the Closed Session from the Agenda. Commissioner Smith moved to approve the agenda as amended. The motion to approve the agenda as amended was unanimously passed.

3. APPROVAL OF MINUTES

Commissioner Clark moved to approve the minutes of the January 8, 2004 Commission meeting. Commissioner Palega seconded the motion. The motion to approve the minutes of the January 8, 2004 Commission meeting was unanimously passed.

4. GENERAL COMMUNICATIONS

Gregg Fortner, Executive Director stated that included in the folder was the Commission Request Log detailing the pending staff assignments. Item ten of the Log was to be corrected to reflect a due date of February 10, 2004. Item 16 was to be corrected to forward the due date to February 10th. Mr. Fortner informed the Commission that the information for items 14 and 17 would be distributed to the Commission in a confidential envelope after the meeting. Next in the folder was the Lease-Up report. A new section had been added called Make Ready Units. These are units that could immediately be made ready for occupancy. Mr. Fortner reported that the occupancy rate had gone from 94.6% to 95.2% in the last month. A new strategy is also being employed. Multiple people are being sent to the available two-bedroom units and can choose the unit on a first come first served basis.

Commissioner Clark asked what a make ready unit was. Mr. Fortner defined it as a vacant unit that maintenance has not cleaned yet. It is not ready to be occupied, but can expeditiously be made ready. Commissioner Clark then asked if there are other types of units available besides the make-ready and the available units. Mr. Fortner identified approximately 60 units that must undergo modernization and development because they have more than $6,000 in damages. Mr. Fortner stated that the SFHA website says that there are over 6,400 units in the agency's inventory, but 500 of those units are at Valencia Gardens and North Beach which are still in the building stages. Out of the 360 available units, 40-50 will require capital funds because they have more than $6,000 in damages. Mr. Fortner explained that after subtracting North Beach and Valencia, units used for resident employees, units used for services such as resident councils, 5,700 units remain.

The next item in the folder was the calendar for the Public Housing Tenant Association Elections. The election will be held on Saturday, February 17, 2004. An education, outreach and marketing process is being undergone to reach all potential candidates, and work with all of the resident associations to successfully obtain a PHTA representative. Joyce Armstrong would be leading the process. Mr. Fortner reported that the next memorandum regarding the 992 Ellsworth computer learning center was requested by Commissioner Gans. The following was a memo detailing the budget of the CDBG application that had previously come before the Commission. At the request of Commissioner Palega, the next memo dealt with the apprenticeship program of the Sonomarin contract. The next memo concerned the procurement and insurance process. Mr. Fortner brought the Commission's attention to the second paragraph of the memo dealing with the cost of appraising all properties of the SFHA. The estimated cost of doing so is about $100,000 and the money would come out of the capital funds.

Commissioner Clark asked Mr. Fortner if the Authority was expecting the appraisal to be done in August. Mr. Fortner answered that Housing Authority Insurance Company is prepared to bid on SFHA properties and discuss their quotes with the Commission in August. The last item in the folder was an online story about the former Mayor, Willie

Brown. The article was in the Sacramento Bee and made positive comments about the service of Willie Brown. Mr. Fortner stated that he thought the Commission would be interested in reading it because they were all appointed as Commissioners under his leadership.

5. REPORT OF SECRETARY

Mr. Fortner reported that the Commission had approved the settlement of the action brought against the SFHA by the Department of Justice. The Commission decided to settle the case based on the terms brought before the Commission on December 15, 2003. The documents were signed by the judge, Housing Authority, and Department of Justice on January 16, 2004. This means that the Housing Authority is no longer under any lawsuit with the Department of Justice and can pursue funding that was previously unavailable because of the suit. Next, Mr. Fortner reported that on January 21, 2004 Congress passed HUD's 2004 budget and the President is expected to sign it at the end of the month. The SFHA will receive this funding at the beginning of the fiscal year in October. The operating subsidy for the entire nation went from $3.577 billion to $3.6 billion for 2004. The capital fund was at $2.712 billion last year and this year it is funded at $2.7 billion. The biggest cut was in HOPE VI funding that went from $550 million for the past several years to $150 million for 2004. The Section 8 program was fully funded even though Congress had to come up with an extra $2 billion to do it. Mr. Fortner stated that the Authority is in the same situation as years past; expenses go up, but funding stays the same or goes down. The only exception is the Section 8 program.

Commissioner Clark asked about the anticipated budget cuts. Mr. Fortner explained that the Authority thought it was only going to be funded at 90% of its operating subsidy for this year, but the Authority will actually receive 94.5%. Next year, it is possible that the Authority will only be funded at 90% of its operating subsidy.

Commissioner Clark asked why the HOPE VI funding was cut so drastically and if the SFHA had HOPE VI plans. Mr. Fortner stated that the SFHA didn't have any requests for HOPE VI grants last year or this year. This was because of the pending action with the Department of Justice and because the rules changed. In the past, HOPE VI funding was used as seed money to leverage other funding. Now HUD looks more favorably on a project already in progress and the funding is considered gap money. Mr. Fortner stated that this makes it much more difficult for large housing authorities that generally need to secure funding up front. If an agency were to depend on HUD funding to complete a project, there is no guarantee that they will get it. Commissioner Clark asked if the SFHA had plans to seek HOPE VI funds in the future. Mr. Fortner answered that the Authority will seek any funding that is feasible for the SFHA. The SFHA has not received a successful HOPE VI grant since 1997 even though funding was requested from 1998 to 2001. Most of the HOPE VI funding in the last round went to Texas or Florida. Commissioner Clark inquired if the developer RFQ is a project that would try to obtain

HOPE VI funding. Mr. Fortner explained that the developer RFQ was put out to determine whether a developer could do the financing without any HUD money.

Mr. Fortner stated the President is due to announce the 2005 budget on February 2, 2004 and housing authorities must prepare to make sure Congress knows what we want. Mr. Fortner said that he was unsure how aggressive the administration would pursue funding because it is an election year. It is anticipated that Section 8 block granting will again be an issue although it was defeated last year. Mr. Fortner said that recently in the New York Times, the President was quoted as being alarmed at how much Section 8 was costing the country. Based on the current trends, Mr. Fortner said that the President is expected to make proposals to Congress to cut capital funds, operating subsidies, and eventually eliminate HOPE VI. February through the summer will be the time to collaborate with the congressional delegates to ensure the future funding of housing programs. Lastly, Mr. Fortner told the Commission that this would be a good time for them to take a walking tour of North Beach. The east block is almost complete and the west block is in an earlier stage of completion. Wednesdays are open for the developers or construction company to walk the Commission through. Mr. Fortner described the site as a historical use of HOPE VI funding and an energetic and busy sight to witness.

Commissioner Clark asked if items 12 and 13 on the Request Log are apart of the Department of Justice agreement. Mr. Fortner clarified that it was a part of the Commission's request, which will give the Commission an update as to how the SFHA is in compliance with the agreement with the Department of Justice.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No Report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was nothing to report.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

Mr. Fortner stated that the President of City Wide Council – Senior/Disabled, Mr. Vitalie called earlier and said that he would not be able to make the meeting.

Public Housing Tenants Association (PHTA)

No representative was present.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

Resolution No. 5137

(A) RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

Mike Roetzer, Administrator for Management Services and Support explained that this resolution was an item included in two MOU's from SEIU 790 and the Municipal Executives Association. Both required adjustments to the healthcare premium payments afforded to retirees. PERS requires the SFHA to submit a resolution to them according to the form included in the Commission packets.

Commissioner Palega asked if this resolution was to put the sick pay into PERS. Mr. Roetzer answered no and that action was taken in a separate resolution. Mr. Roetzer explained that historically, 30-33% of retirees' health annuities were paid by the SFHA. The first part of the resolution increases it to 45% and next year it will go to 80%.

Commissioner Clark asked how much it would cost. Mr. Roetzer answered that in the first year it would cost $50,000 and next year is unknown because PERS' rates are not released until late 2004.

Commissioner Palega asked if it covers everyone. Mr. Roetzer stated that everyone in MEA or SEIU 790 was covered.

President Lee asked what the current cost is. Mr. Roetzer said that he did not have those figures available. President Lee said that she was concerned and reluctant to pass a resolution with unknown figures. She asked Mr. Roetzer if he thought the SFHA would have enough funding to cover the costs. Mr. Fortner answered that the budget is done six months in advance, so the SFHA will have the numbers by then but the medical premiums remain unknown until they are about to take effect because the insurance company has to examine their last year's costs to determine the next year's premiums.

Commissioner Palega commented that after an individual serves at an agency for 30-40 years they deserve some kind of medical compensation and 45 to 80% is a good deal. Commissioner Palega acknowledged that after a person retires, their income isn't what it used to be and these medical benefits would be very helpful.

President Lee said that her concern lies in the commitment to 80% of an amount that is unknown. That, compounded with budget cuts made President Lee reluctant to pass the resolution. Mr. Fortner replied that during the union negotiations, it was made clear that the SFHA only had a certain amount to pay each union and if they were willing to sacrifice their employees for more benefits, then so be it. If the retirement benefits cost more than the current employees, then the SFHA may face layoffs. That situation is not anticipated, but is possible. President Lee replied that it would be more proper to wait and determine the cost versus signing a blank check. Mr. Fortner answered that traditionally, unions are reluctant to go for a one-year contract, but if this becomes over burdensome, the SFHA could ask the union to reopen this issue for negotiations. President Lee asked if the clause, "subject to the availability of funds in 2005" should be added to the resolution. Mr. Fortner explained that this was a PERS document required for their own paperwork. The Commission had agreed to the 45 to 80% retirement benefits in the union negotiations.

Commissioner Woodruff asked when the budget would be complete for 2005. Mr. Fortner answered that the SFHA usually knows by June or July what HUD is going to fund. Staff then presents to the Finance Committee the expenditures expected for the following year. The budget planning will begin in February and if any problems are anticipated, they will be brought to the Commission well in advance. Collaboration with all necessary entities would be coordinated to ensure that resident services do not suffer and operations are maintained within the available resources. Commissioner Woodruff asked if the information regarding the 80% would be available in time to do the budget. Mr. Roetzer answered that a notice from PERS regarding health premiums us usually

received in September or October after they negotiate with their insurance carriers. After this, PERS does an open season so that employees can make adjustments according to the new premiums for the following year. Mr. Fortner added that the Finance Department is excellent at projecting for the next year. They take a percentage of the current rate and calculate it to project the anticipated costs. The biggest negative impact would be if HUD doesn't provide 100% funding in the following years.

Commissioner Clark asked if each of the bargaining units were in PERS. Mr. Roetzer answered yes. Commissioner Clark asked if PERS has various providers to choose from and if the Authority pays 80% of coverage for its employees. Mr. Roetzer answered yes to both questions and explained that the 80% coverage is for active employees. For retirees, the SFHA has been paying in the 30-33% range, but as their premiums go up, their annuities were not keeping pace with the cost increase. The Authority was aware of the up coming budget constraints and therefore incrementally increased the coverage for retirees. This was in an effort to help manage the budget. Commissioner Clark asked if active MEA employees receive 100% coverage. Mr. Roetzer answered yes and explained that the MEA benefits are capped at a two-party rate for Kaiser Northern California.

President Lee asked how many retirees there are. Mr. Roetzer replied that there are about 50 retirees. President Lee asked how many there were last year. Mr. Fortner answered that there are 5-10 more than last year.

Commissioner Clark moved to approve Resolution No. 5137. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5137 was unanimously passed.

Resolution No. 5138

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE SAN FRANCISCO ELEVATOR COMPANY TO PROVIDE FULL ELEVATOR MAINTENANCE SERVICES AND EMERGENCY REPAIRS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT OF $595,000.00 FOR TWO YEARS WITH THE SECOND YEAR SUBJECT TO THE CONTRACTOR'S PERFORMANCE AND SUBJECT TO THE AVAILABILITY OF FUNDS

Alex Chanco, Director of Maintenance presented the resolution. Mr. Chanco reported that the Authority operates 51 elevators at 31 developments. Many of the elevators are aged or in marginally serviceable condition. The SFHA does not have the staff with the expertise to take the required corrective actions to repair the elevators. The approval of this resolution would allow the SFHA to acquire the expertise to keep the elevators operational and safe for the residents. Many of the elevators are located in the senior and disabled buildings. Therefore, safety, reliability, and responsiveness by the contractor were the priorities used during the procurement of this contract. The solicitation was

issued on June 23, 2003. The announcement of the RFP was placed on the San Francisco City Purchasing Department and the SFHA websites. Announcements and RFP packages were mailed to seven prospective elevator companies. Four proposals were received on July 28, 2003. After reviewing all of the written responses, all of the firms were interviewed. The firms interviewed were San Francisco Elevator Company, Atlas Elevator Company, All Cities Elevator Company, and D & D Elevators. Based on the technical scoring and ranking, the evaluators determined that San Francisco Elevator Company was the top rated firm with the highest combined written and interview score. The San Francisco Elevator Company was large enough to provide expertise, immediate response, and they maintain a huge inventory of parts.

San Francisco Elevator Company has a staff of 45 licensed, conveyance service technicians. They perform emergency trouble calls and respond in a timely manner. They are a multimillion dollar insured company, which allows them to provide the personal service the SFHA needs. Their resources include liability, technology, parts, and the number one elevator safety program in the industry.

Mr. Chanco reported that the funding for this year's contract is available within the 2004 fiscal year budget. The San Francisco Elevator Company had agreed to meet or exceed the 25% resident hiring requirement for non-construction contracts that exceed $50,000. Mr. Chanco recommended the approval of this resolution.

Commissioner Clark asked Mr. Chanco if he was familiar with the elevator resolution recently passed by the Commission. Mr. Chanco answered yes. Mr. Fortner added that the previous resolution was for elevator consulting services whereas this resolution was for actual repairs. Mr. Fortner said that every resident council or tenant association meeting that he'd been to in the last two and a half years addressed the issue of elevator repairs. The RFP criterion was based on technical expertise as well as price. Mr. Fortner said that he hoped the Authority got the best company of those who bid on the project. In answer to Commissioner Clark's follow up question, Mr. Chanco explained that the previous resolution passed was with Hesselberg and Keesee for consulting services. This contract with San Francisco Elevator Company would provide monthly preventative maintenance to all 51 elevators. Commissioner Clark asked if San Francisco Elevator Company does consulting work. Mr. Chanco answered no.

President Lee asked how long San Francisco Elevator Company and Atlas Elevator Company had been in business. Mr. Chanco invited the representatives of San Francisco Elevator to come forward. Eddie Burella, Service Supervisor for San Francisco Elevator answered that they had been in business since 1908. The company started as an independent company, but over the years and through many purchases, it grew to be the company it is today, owned by United Technologies. San Francisco Elevator Company is now a full service company with the backing of the best in the industry. President Lee asked if they have a previous working relationship with the SFHA. Mr. Burella answered that their company had been servicing the Authority's elevators since May of 2003. Mr.

Fortner added that since May, individual procurements were done to determine which company could respond the quickest.

Commissioner Palega asked if San Francisco Elevator Company was working with an apprenticeship program. Robin Wilson, Account Manager for San Francisco Elevator Company answered that they planned to hire for warehouse positions. Commissioner Palega asked if the residents would have the opportunity to be a part of the union or an apprenticeship program. Ms. Wilson stated that their goal was to offer every opportunity available to the residents. At the present time, there were office and warehouse jobs available and the residents would have an opportunity to be in the union.

Commissioner Woodruff wanted to know if San Francisco Elevator Company would perform the work found to be necessary by the consultants. Mr. Fortner explained that the consulting services were a modernization project and the particulars of the necessary work were unknown. It's anticipated that some elevators would have to be replaced and the Authority doesn't plan on doing that within the next year, whereas this contract is only for a year, for existing elevators.

Commissioner Smith asked how quickly they would respond in an emergency. Ms. Wilson answered that the response time is between 30 to 45 minutes, but definitely within the hour. Commissioner Smith inquired about how their emergency response system works. Ms. Wilson responded that the telephones on the elevator are directly connected to their dispatcher's office. Seven days a week, 24 hours a day, response technicians are available to respond. Commissioner Smith asked if a part must be replaced in order to repair an elevator, would it negatively affect other parts in another elevator or that one. Ms. Wilson answered that it shouldn't be a problem to replace parts and their inventory supports replacing or rebuilding parts to service all elevators. Mr. Fortner added that one of the reasons San Francisco Elevator Company scored so high was because they had the largest inventory of those who put their bid in. Mr. Burella stated that as a part of their full service contract with the SFHA, they would keep a small inventory of parts from the original manufacturers for the particular type of elevators the SFHA has. If they didn't have the necessary part, Mr. Burella said that they could generally get it within 24 hours.

President Lee questioned the scoring process. She commented that 40% of the score was based on the firms' understanding of the scope of services and the firms' experience and ability to perform only weighed 35%. President Lee requested to see the scores of the number one and number two scoring firms. The reason she wanted to see them was because their technical scores differed by only 5%, but the price of their bids had a 20% difference. President Lee stated that the difference in price was very significant for scoring 5% apart. The duty of explaining the scope of services lies with the staff and President Lee stated that she didn't think the firms' understanding of it should be weighed so heavily. Rene Latosa answered that he had the figures she requested. Mr. Fortner stated that the information should be distributed to all Commissioners and if this item could be tabled until the next meeting.

Commissioner Palega asked why the last contract wasn't given an extension versus opening a whole new procurement. Mr. Chanco answered that one reason was that when Atlas Elevators was interviewed, they indicated that they would have to hire one individual to service all 51 elevators. This was in comparison to having 45 technicians available to service 51 elevators. In addition, Atlas indicated in the interview that they would have difficulty procuring the parts for the type of elevators the Authority has. However, San Francisco elevator gave a guarantee that parts would be available within 24 hours. Commissioner Palega commented that the cost balances with the superior service provided to the residents.

Mr. Fortner asked President Lee if reading the scores would provide the information she requested. President Lee reiterated that the responsibility of explaining the scope of services was up to the staff and shouldn't weigh so heavily on the scoring outcome. Commissioner Palega restated that the issue is whether the SFHA wants to wait 30 to 40 days for a company to receive a part or work with a company that guarantees the part within 24 hours for repair. The price difference is inconsequential in comparison to the service received. Mr. Chanco added that he spoke with the consultants and they verified that San Francisco Elevator Company's prices are very reasonable. President Lee still maintained her concern with the scoring process. She stated that the point Commissioner Palega brought up had to do with the performance yet the understanding of the scope of service is weighted more than that.

Commissioner Palega moved to approve Resolution No. 5138. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5138 was passed by a majority vote. Commissioner Lee and Commissioner Clark opposed.

Resolution No. 5139

(C) RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

Barbara Smith, Housing and Modernization Administrator presented the resolution. Ms. Smith explained that the TEFRA hearing was a public hearing to discuss the issuance and delivery of multifamily revenue bonds for Valencia Gardens. The hearing is required by Federal Tax Law in preparation of a bond issue that the Authority is proposing to take place in early July. Approval of the resolution would allow the Authority to publicly notice the TEFRA hearing 15 days in advance, describe the proposed development of Valencia Gardens, and record any comments by the public. Timely approval is important because it is apart of the California Debt Limit Allocation Committee (CDLAC)

application due on February 18, 2004. The hearing does not obligate the Authority to issue bonds, but continues with the necessary steps to have the option of bond issuance. Ms. Smith reported that at the next Commission meeting, an inducement resolution would be brought before the Commission. That resolution would state the intent of the SFHA to issue bonds for the development of Valencia Gardens. The CDLAC application, bond counsel and underwriter resolutions would also be on the agenda for the next meeting. This would allow the SFHA to remain on schedule to prepare the closing documents for HUD submission by July 10, 2004, followed by HUD's review and beginning construction by September. This resolution enables the SFHA to apply for the bond allocation to issue up to $40 million in tax exempt financing. This is lower interest financing which allows the SFHA to have access to 4% tax credits that is estimated to bring in $23.1 million in equity. This does not have to be repaid. Ms. Smith recommended the approval of this resolution. Ms. Smith stated that Diane Jackson-McLean from Goldfarb and Lipman and Peg Stone from CSG Advisors were present to answer questions.

Commissioner Woodruff asked when the TEFRA hearing would be held. Ms. Smith answered that staff proposed the hearing take place on February 11, 2004 at 11:00a.m.

President Lee asked if the SFHA is required to pay a loan to the bondholders. Ms. Jackson-McLean answered that the official statement would say that the SFHA is not obligated for the purchase of the bonds. The revenue from the project would be pledged to pay the bonds. President Lee asked why it says that it is a loan agreement. Ms. Jackson-McLean answered that after the bonds are issued, the proceeds of the bonds are paid to the developer. A trustee acts on behalf of the Agency to receive the monthly loan proceeds from the borrower to repay the bondholders. If the Commission decides to proceed in hiring the bond counsel, the bond counsel would set up the organization evidenced in the indentured agreement detailing the flow of funds. President Lee asked if an unexpected disaster occurred, such as an earthquake or fire, would the SFHA be liable. Ms. Jackson-McLean answered that under no circumstances would the SFHA be liable.

Commissioner Palega asked if Valencia Gardens would be liable. Ms. Jackson-McLean answered that there would be a deed of trust securing the payment of the bonds, a credit enhancement, and opportunities to cure. Commissioner Palega asked if there is a chance of the SFHA losing if the promise is not upheld. Ms. Jackson-McLean answered that the project would be subject to the normal foreclosing proceedings, and it is possible to lose the property. Commissioner Palega questioned Ms. Jackson-McLean's statement of the SFHA having no liability. Ms. Jackson-McLean clarified that the Authority has no liability under the bond proceeds. Mr. Fortner asked Ms. Jackson-McLean what the chances are of the SFHA losing the property. Ms. Jackson-McLean answered there is a very little chance of that occurring.

President Lee asked for the term of the loan. Ms. Smith answered that the $40 million in bond proceeds would be paid down to about $13 million after the construction is completed. The $13 million would be paid off over 30 years. President Lee asked staff to

make sure that the SFHA is well covered as far as insurance. President Lee asked what the monthly payment would be and the estimated monthly income. Mr. Fortner answered that the revenue projections would be given to the Commission after the meeting.

Commissioner Clark asked if the bond counsel had been chosen. Ms. Smith answered that it is still in the process. Written materials had been reviewed and interviews conducted. Commissioner Clark asked how many were interviewed. Ms. Smith answered that six firms responded. Commissioner Clark asked if the bond counsel should be advising the SFHA through this process and whether it was necessary to have their input at this stage. Ms. Smith answered yes and the interviewees were questioned about the TEFRA hearings and answered that the current process is ok. Commissioner Clark asked if a banking firm had been chosen or interviewed. Ms. Smith answered no and would take place the following week. Commissioner Clark asked how many firms responded. Ms. Smith answered that five had responded. Commissioner Clark asked if there were other alternatives to the bond issuance and if the SFHA was intending to finance the project with bonds regardless of not being obligated to do so. Ms. Smith replied that the financing structure does require tax-exempt bonds. Commissioner Clark asked why Valencia Gardens required bonds and North Beach didn't. Ms. Smith explained that the financing for Valencia Gardens was established in conjunction with the City of San Francisco because they provide subsidies for these developments. At the request of Mr. Fortner, Ms. Stone gave further explanation. Ms. Stone stated that in an effort to create affordable housing the agency has to use 4% or 9% tax credits. The 9% gives more tax credit and therefore more equity than the 4% tax credits. The difference is that if an entity is going to have another kind of permanent Federal subsidy in a project, 4% is generally used. Ms. Stone explained the financing difference with North Beach and informed the Commission that North Beach was so big that it used up much of the state's entire allocation of tax credits for the year. The director of the state tax credits strongly encouraged the SFHA not to ask for 9% tax credits for Valencia Gardens. Therefore it was decided to proceed with 4% tax credits and tax-exempt bonds. The city agreed to provide a big subsidy of tax increment financing due to the decreased tax credits. Mr. Fortner added that 9% tax credits are very profitable for the developers and the city can only support one 9% tax credit per funding round. Because such a large portion was used with North Beach the SFHA agreed with the Mayor's Office of Housing that the same type of funding would not be used for Valencia Gardens. The bond financing makes up the difference for the 4% financing. Ms. Stone added that the situation was so serious that if the SFHA had pushed for 9% tax credits, state rules might have been put in place to prevent San Francisco from ever doing so again. Commissioner Clark inquired about the funding anticipated from the city. Ms. Stone commented that the San Francisco Redevelopment Agency is putting about $5 million into this project. In answer to Commissioner Clark's question, Ms. Stone confirmed that she believed that this was the best approach to finance the Valencia Gardens project. Ms. Stone offered her services to hold a 2-3 hour training on bond financing. Commissioner Clark expressed his interest in participating in this training.

Commissioner Clark moved to approve Resolution No. 5139. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5139 was unanimously passed.

- ANNOUNCEMENT REGARDING THE FIRST MEETING IN FEBRUARY

Mr. Fortner announced that the next regularly scheduled Commission meeting fell on a SFHA holiday and suggested rescheduling the meeting for February 10, 2004 at 4:00pm. Commissioner Clark moved to reschedule the Commission meeting for February 10, 2004 at 4:00p.m. Commissioner Palega seconded the motion. The motion to reschedule the following Commission meeting was unanimously passed.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Gail Hampton complained of having problems in Hunter's View with the tenant association. Ms. Hampton requested that the staff come down and listen to their concerns because they are not being heard by their tenant association. She stated that the meeting held the previous night was for her, but Naja Boyd and Gregg Fortner did not show up.

Rodney Hampton was not present to address the Commission.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Clark asked for more details about the emergency meeting held in Hunter's View the night before. Mr. Fortner responded that the SFHA staff schedules meetings through the resident council. This is a conflict between residents and the established resident council. Mr. Fortner stated that this is one of the reasons it is so important to establish the PHTA representative to mediate these types of disputes. Commissioner Clark asked if the Office of Fair Housing was established. Mr. Fortner replied that this situation would not fall under the auspices of the Office of Fair Housing. Commissioner Clark asked the nature of the conflict between the residents. Mr. Fortner responded that this was not the proper forum to divulge the specifics.

Commissioner Palega commented that his concerns were about the allegations of drugs and a shooting in the email regarding the emergency meeting. Commissioner Palega recommended that staff look into the situation because the Commission is concerned about the well being of the residents. In response, Mr. Fortner said that the Commission would be given a report of the dynamics of that meeting and resources would be sought to mediate between the two groups. The bylaws of each resident council stipulate how the misconduct of officers is to be dealt with. If there is enough support to change the leadership, then it should be done according to the bylaws. Commissioner Palega restated his concern for the safety of the residents.

President Lee asked Mr. Fortner to call Commissioner Brown on behalf of the Commission to wish his wife a speedy recovery.

President Lee also announced that it was the Chinese New Year, the year of the monkey. This year should bring happiness and prosperity to everyone.

14. CLOSED SESSION

President Lee announced that the Commission had removed the closed session from the agenda at the beginning of the meeting.

15. ADJOURNMENT

Being no further business to come before the Commission, Commissioner Clark moved to adjourn the meeting and Commissioner Smith seconded the motion. President Lee adjourned the regularly scheduled meeting of January 22, 2004 at 5:57 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON TUESDAY, FEBRUARY 10, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
February 10, 2004

DOCUMENTS DEPT.
JUN - 8 2005
SAN FRANCISCO
PUBLIC LIBRARY

1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Andrew J. Clark, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - January 22, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR MOVING AND STORAGE SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT TO EXCEED $120,000

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH KUTAK ROCK LLP TO PROVIDE BOND COUNSEL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $97,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED TO PROVIDE INVESTMENT BANKING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $265,000 FOR EACH HOPE VI BOND ISSUE AND NOT-TO-EXCEED $295,000 FOR EACH CAPITAL FUND OR OTHER MULTIFAMILY BOND ISSUE, WITH ALL COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

(D) RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO REIMBURSE EXPENDITURES FROM PROCEEDS OF FUTURE INDEBTEDNESS ASSOCIATED WITH THE SECURING OF FINANCING FOR VALENCIA GARDENS WITH FUTURE INDEBTEDNESS TO BE REPAID BY VALENCIA GARDENS PROJECT REVENUES

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) FOR AUTHORIZATION TO ISSUE UP TO $40,000,000 IN TAX EXEMPT BONDS FOR VALENCIA GARDENS AND DEPOSIT $100,000 FROM VALENCIA GARDENS HOPE VI PREDEVELOPMENT LOAN FUNDS INTO A PERFORMANCE DEPOSIT ACCOUNT

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Honeywell, Inc. v. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice-President
Sululagi Palega, Sr., Commissioner
Betty Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

DATE: FEBRUARY 10, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR MOVING AND STORAGE SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT TO EXCEED $120,000.

OVERVIEW

In order to successfully conduct lease termination activities, the San Francisco Housing Authority ("the Authority") must utilize the services of local moving and storage companies. In accordance with California Civil Code, section 1983 (b), the Authority is required to provide storage services for a minimum of fifteen (15) days when a resident is evicted. Furthermore, page 3, paragraph 16 of the Authority's residential lease stipulates that the agency provides storage for no more than thirty (30) days.

Currently, the Authority needs approval to enter into a contract with two moving and storage companies on an as needed basis.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The San Francisco Housing Authority (the "SFHA") previously entered into contracts with Isaac's Relocation Company and Saagen Moving Company to provide moving and storage services for the agency. Whereas, Isaac's Relocation Company continues to assist the SFHA with its moving and storage needs, Saagen discontinued its service to the Authority.

A Request for Quotes ("RFQ") was issued on October 18, 2003. The RFQ was mailed to 24 companies. Two companies, Isaac's Relocation Company and Bell Moving Company, Inc., responded with quotes. Isaac's Relocation has several years of experience with large agencies, including over two years experience with the Authority. Bell Moving Company has not worked with the Authority in the past but has experience with public entities such as the City of Oakland and the City and County of San Francisco.

The Authority has opted to use both companies as needed.

OBJECTIVE

The objective is to continue with the eviction process without interruption in service, and to enter into a contract with two moving and storage companies to ensure diversity of vendors and services provided.

PRESENT SITUATION

The Authority has a responsibility to provide safe, sanitary, affordable and decent housing to low-income residents of San Francisco. Part of that responsibility includes eviction of residents who violate provisions of their lease agreement. These evictions require that the Authority enlist the services of Isaac's Relocation and Bell Moving company, Inc. because they are the two local companies that are equipped with the appropriate resources and staff and that are willing to work with the Authority.

Additionally, resident hiring will be determined on a situational basis. Both companies have agreed to comply with the requirements of Section 3 of HUD Act of 1968 to the greatest extent feasible.

Finally, each firm is committed to promoting the goals of MBE/WBE, and Bell Moving Company, Inc. satisfies both MBE and WBE requirements.

ANTICIPATED OUTCOME

The anticipated outcome is that the SFHA will utilize the services of two highly qualified moving and storage companies, and continue to comply with local laws that require the proper storage of tenants' property.

WHO BENEFITS

The authority benefits from having moving and storage services because of the lack of space available to store the personal belongings as required by law. Additionally, by continuing to evict residents that violate the lease, the Authority can provide units to families on the wait list.

BUDGET

Funding is available as part of the Authority's 2004 and 2005 Low-Income Operating Budget.

RECOMMENDATION

It is recommended that the Board pass this resolution.

RESOLUTION NO.: 5140
DATE ADOPTED: 2/10/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR MOVING AND STORAGE SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT TO EXCEED $120,000.

WHEREAS, the Housing Authority of the City and County of San Francisco ("the Authority") must have moving and storage services in order to effect its weekly eviction actions; and

WHEREAS, the Authority must comply with California Civil Code, section 1983 (b) which requires storage services for a minimum of fifteen (15) days; and

WHEREAS, page 3, paragraph 16 of the Authority's residential lease stipulates that the Authority must provide storage for no more than thirty (30) days; and

WHEREAS, a Request for Quotes was issued on October 18, 2003 to 24 moving and storage companies; and

WHEREAS, the Authority received responses from Isaac's Relocation Services and Bell Moving Company, Inc.; and

WHEREAS, in order to continue to effect eviction actions for the 2004 and 2005 fiscal years, the Authority must enlist in the services of both Isaac's Relocation and Bell Moving Company Inc.; and

WHEREAS, funding for said costs are available from the Authority's Low-Income Operating budget for the fiscal year 2004 and 2005;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to enter into a two-year contract for moving and storage services on an as-needed basis in an amount not to exceed $120,000.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

2-5-04
DATE

REVIEWED BY:

GREGG FORTNER, Executive Director

2/6/04
DATE

B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: FEBRUARY 4, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH KUTAK ROCK LLP TO PROVIDE BOND COUNSEL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $97,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with the highest-ranked bond counsel firm on an as-needed, task assignment basis over the next two years. This contract will provide the San Francisco Housing Authority (Authority) with an experienced law firm to provide bond counsel services for the Valencia Gardens HOPE VI development. It further authorizes the Executive Director to come back to the Commission to ask for authorization to negotiate an additional not-to-exceed amount for a task assignment related to future capital improvements and revitalization activities.

The Authority anticipates issuing at least one $35 to $40 million bond issue for the Valencia Gardens HOPE VI development in July 2004.

OBJECTIVE

The objective of this contract is to provide the Authority with competent professional bond counsel services to assist with structuring the bond issue and render legal opinions regarding the bond issue. The responsibilities of the bond counsel will include, without limitation:

1. Advise the Authority on selection of other members of underwriting team, including without limitation underwriters and trustee.

2. Advise the Authority on the structuring of the bond issue/s.

3. Draft bond documents including indenture, relevant loan documents and promissory notes, Official Statement if needed, and all other related documents.

4. Review and comment on bond documents drafted by counsel to other parties.

5. Assist with presentation of financing proposal to HUD including drafting sections of presentation document concerning legal matters such as HUD approvals sought.

6. Participate in all conference calls and attend meetings as requested by the Authority, including (per issuance), as requested, a scoping meeting, up to three appearances before the Authority Commission, up to three meetings with HUD, and preclosing and closing meetings.

7. Advise the Authority as issuer on all matters related to the bond issuances.

8. If pertinent, advise the Authority as borrower on all matters related to the bond issuances.

9. Assist the Authority in executing timely bond issuance/s.

10. Prepare and provide a final collation of the bond documents to the major parties, including without limitation the Authority, other counsel, the financial advisor and HUD within 30 (thirty) days of closing of the bond financing.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

Solicitation Process

Pre-approval of the RFP document and process was obtained from Authority management prior to advertisement. The RFP document was prepared by CSG Advisors, Inc., financial advisors to the Authority. The RFP document was conformed to the Authority's master procurement documents prepared by the Procurement and Contracts Department (P&C) and was issued by the Housing Development and Modernization Department (HD&M). The RFP was approved by P&C prior to issuance.

Solicitation 03-620-RFP-062 was issued on November 25, 2003. Announcement of the RFP was made to the City Outreach Services and was put on the web sites for the Authority, the City, and the Small Business Administration. The notice of the RFP was published in the San Francisco Chronicle/Examiner, the Sing Tao Daily, and the San Francisco Bay View. Announcements and RFP packets were sent directly to seven prospective professionals firms.

Six Proposals were received on the January 8, 2004 due date:

- Ballard Spahr Andrews & Ingersoll LLP (Ballard Spahr)
- Chapman & Cutler LLP (Chapman & Cutler)
- Alexis S. M. Chiu (Alexis Chiu)
- Hawkins Delafield & Wood LLP (Hawkins Delafield)
- Kutak Rock LLP (Kutak Rock)
- Orrick, Herrington & Sutcliffe LLP (Orrick, Herrington)

Evaluation Process

In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed and ranked the written Proposals with a total possible score of 100 points by each panelist. The three top-ranked firms were invited to separate telephone interviews with the Evaluation Panel on January 21, 2004, where they were given 10 minutes to make a presentation of their experience and past performance. The Evaluation Panel took the next 30 minutes to ask pre-determined questions (Attachment A) of each firm. Each firm was then given five minutes to summarize their Proposal.

After the interviews, the Evaluation Panel prepared a final evaluation and scoring with up to an additional 100 points by each panelist to select the firm with the highest-ranked qualifications. The three firms were then asked to carefully review their Proposal and to provide a best and final offer for fees and costs. The Evaluation Panel then made a final complete analysis of the Proposals as modified by the best and final offers and selected the firm that provided the best value to the Authority.

Evaluation Criteria

Listed below are the evaluation criteria and their relative weight for the written and interview components. Described in italics are the reasons for the different criteria. The evaluation criteria are based on the Authority's standards for Request for Proposals questions and weighing as contained in the Authority's Procurement Procedures Manual. The Director of the Contract/Procurement Division approved the criteria and weighting given to each.

No.	Criteria & Reason	Weight
A	Criterion: Experience *This allows evaluation of the firm's technical expertise as measured by the firm's past performance and ability to provide effective bond counsel services, including both Capital Fund bond issues and governmental purpose and multifamily bond issues.*	50 points
B	Criterion: Capabilities *This allows evaluation of the firm's capacity to provide the desired services based on the firm's experience with Capital Fund or similar bond issues that will be of value to the Authority in structuring its Capital Fund bond issues*	20 points
C	Criterion: Staff Qualifications *This provides insight into the quality of the staff as measured by their professional degrees, licenses and experience with the type of work required by this contract. The local staff size and their credentials is a quantitative measure of their knowledge, and is indicative of their ability to respond quickly with qualified staff.*	25 points
D	Criterion: Affirmative Action. *This allows evaluation of the firm's commitment to MBE/WBE participation and methods by which the Consultant would approach compliance for hiring Authority residents.*	5 points
	Total	100 points

Best and Final Offers: Each of the five firms were asked to carefully review its Proposal and to provide a best and final offer for its fees and costs. The Evaluation Panel then made a final complete analysis of the Proposals as modified by the best and final offers:

Firm	Written	Interview	Total	Cost	Final Rank
♦ Ballard Spahr	270	272	542	Highest	2
♦ Kutak Rock	268	282	550	2nd Lowest	1
♦ Hawkins Delafield	257	217	474	Lowest	3
♦ Chapman and Cutler	231	Not in the competitive range			
♦ Orrick, Herrington	197	Not in the competitive range			
♦ Alexis S. M. Chiu	126	Not in the competitive range			

Evaluation Panel Conclusions
By their final scoring and ranking, the Evaluation Panel determined that Kutak Rock was the top-rated firm for the technical factors. Although Hawkins Delafield proposed the lowest total costs per bond issuance, their average billing rates for attorneys were the highest. Hawkins Delafield scored poorly during their interview in responding to the detailed questions (Attachment A) and caused the Evaluation Panel to question that they would be sufficiently able to represent the Authority's concerns in the proposed complex transactions. Due to its size, Hawkins Delafield has consistently been the largest or second largest bond counsel firm nationally, and the Evaluation Panel felt that the lower proposed fees could result in less personalized and responsive service to the Authority.

Reviewing both the technical and cost factors, Kutak Rock was determined to be the preferred firm for the Valencia Gardens HOPE VI bonds. Kutak Rock provided the highest technical score and was the second-to-lowest cost proposal. Kutak Rock presented clear explanations of the complex considerations in bond transactions. The reference checks on the firm produced only positive comments. The Evaluation Panel also noted that Kutak Rock had substantial experience in multifamily bond transactions and had provided satisfactory bond counsel services to the Authority previously for Bernal Dwellings. The firm has a strong on-going relationship with HUD nationally.

In the future, as part of an overall plan of financing capital improvements, the Authority may investigate other bond issues within the two-year period covered by this contract. In such event, the Executive Director would request Commission authorization to negotiate a second task assignment with this same firm.

Evaluation Panel Members
Member: CSG Advisors, Inc, Senior Associate. Selected for highly specialized expertise in bond financing for public housing and familiarity with the Authority's financing needs.

Member: Office of General Counsel, Executive Assistant. Selected for expertise in the management of, and liaison with, the Authority's outside counsel firms.

Chairperson: Housing Development and Modernization Department, Administrator. Selected for prior experience with the Authority's bond issues and public housing financing.

PRESENT SITUATION
The Authority is preparing to issue $35 to $40 million in private activity bonds (the "Bonds") as part of the overall financing for Valencia Gardens. The Authority currently anticipates that the Bonds will be issued as one or more series under a single indenture. All of these Bonds would be issued as private activity bonds to allow for the use of Low Income Housing Tax Credit financing for the project. The proceeds of the issue will be loaned to the Valencia Gardens housing partnership of which the Authority or its affiliate may be General Partner for its use in financing the redevelopment of Valencia Gardens.

The Authority currently has a HOPE VI grant from HUD for redevelopment of the Valencia Gardens site, and has a DDA with Mission Housing Development Corporation for development services. The selected bond counsel firm will be used for the bond issues related to this development.

The Authority anticipates that any Bonds will be publicly sold and that the issue will close sometime in 2004. The Bonds will be a combination of short-term (collateralized by HOPE VI and tax credit equity) to be paid off after completion of construction, and long-term amortized according to the requirements of the underlying credit enhancement.

Issuance of the Bonds will be subject to the approval of the Board of Commissioners of the Authority.

In the future, as part of an overall plan of financing capital improvements, the Authority may investigate other bond issues within the two-year period covered by this contract. In such event, the Executive Director would request Commission authorization to negotiate a second task assignment.

ANTICIPATED OUTCOMES

If this contract is approved, the Authority will receive competent legal advice and work product on the following items:

- The selection of other members of underwriting team, including without limitation underwriters and trustee.
- The structuring of the bond issue/s.
- Preparation of bond documents including indenture, relevant loan documents and promissory notes, Official Statement if needed, and all other related documents.
- Reviews and comments on bond documents drafted by counsel to other parties.
- Assistance with presentation of financing proposals to HUD including drafting sections of presentation document concerning legal matters such as the HUD approvals sought.
- Participation in conference calls and meetings as requested by the Authority, including (per issuance), as requested, a scoping meeting, up to three appearances before the Authority Commission, up to three meetings with HUD, and preclosing and closing meetings.
- Advice to the Authority as issuer on all matters related to the bond issuances.
- If pertinent, advice to the Authority as borrower on all matters related to the bond issuances.
- Assistance to the Authority in executing timely bond issuance/s.
- Preparation and final collation of the bond documents to the major parties, including the Authority, other counsel, the financial advisor and HUD within 30 days of closing of the bond financing.
- Residents will have opportunity for training and employment.

WHO BENEFITS

Residents will benefit from having appropriate bond counsel services for complex financial transactions that enable funding of HOPE VI revitalization and Capital Fund improvements. The Authority will benefit from professional guidance concerning state and federal securities legal requirements and state laws and programs applicable to the issuance, sale, and delivery of bonds.

BUDGET CONSIDERATIONS

Funding for this planned contract task assignment is contingent upon the successful issuance of the bonds for Valencia. The not-to-exceed value of the contract is based upon the bond value and type, and the proposed fees associated with this volume and type of bond transaction. In addition, allowing the Executive Director to have an option of coming back to the Commission using this same contract to explore other tax exempt financing for capital improvements may save up to $8,000 in advertising and related solicitation expenses.

RESIDENT EMPLOYMENT

Kutak Rock has agreed to hire public housing residents to meet or exceed the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000. Due to the highly specialized and technical nature of the work, it is anticipated that they will provide appropriate training and development of technical skills to meet this requirement.

MBE/WBE STATUS

None of the bond counsel law firms in the competitive range are minority-owned or women-owned business enterprises. However, Kutak Rock has a diverse workforce in its offices and has provided an Affirmative Action Acknowledgement form that meets the requirements of Executive Order 11246.

RECOMMENDATION

Staff recommends approval of this Resolution.

(Prepared by Barbara Smith and Steve Haines, Housing Development and Modernization Department)

Interview Questions for SFHA Bond Counsel Candidates

HOPE VI FINANCING

1. This transaction will be an issuance of approximately $35 MM for a newly constructed mixed-finance, mixed-income project in San Francisco's Mission District on Authority owned land. The letter of credit provider has already been secured and an application for private activity bonds drafted. The role of the bond counsel would include drafting bond documents; and facilitate the closing. They would also prepare a tax analysis and render typical opinions. SFHA has real estate and HOPE VI counsel. Unlike some HOPE VI bond transactions, the bonds will only be partially collateralized with HOPE VI funds; the rest secured with pledges from the tax credit investors. Have you worked on a similar structure to this in any of your past HOPE VI bond work? What issues might arise in regard to this and how might they be resolved?

2. If the developer wanted to start construction early, using City funds already allocated to this project, would this create any legal issues regarding the bond issuance? If so, how might they be resolved?

3. What kinds of opinions are usually required for this type of transaction? Who provides them? What issues might arise and how would you try to resolve them?

CAPITAL FUND FINANCING

4. What experience do you have working with HUD on Capital Fund bonds? What legal issues have arisen, and what might be changing practice at HUD that might affect this issuance?

5. What legal issues might other parties, such as the rating agencies or insurer, have concerning this transaction that SFHA should be aware of?

6. What kinds of opinions are usually required for this type of transaction? Have you ever seen problems arise with opinions, and if so, from which parties? How might these problems be resolved?

CALIFORNIA EXPERIENCE

7. Have you worked as bond counsel on any California housing bonds? If so, are there any concerns particular to California's bond process that you think that SFHA should be aware of?

8. Do you see any timing problems that might arise if the SFHA seeks private activity bond allocation for its Capital Fund financing?

STAFFING

9. Could you explain the roles of each of the personnel that you would assign to these transactions? How much time would the senior attorney spend on these? What would the junior attorneys do? What would be assigned to paralegals? Who, for example, would participate in all conference calls? Who would make presentations to the Commission? Who would attend the closing?

FEES

10. Would you be willing to absorb incidental expenses such as fax, copying, email printing, into your rates? (To be paid separately: travel, outside printing costs, and conference calls).

11. Would you review your rates and be prepared to submit a best and final offer for our consideration, to be submitted by January 23 at noon Pacific time to Steve Haines via email at haines@sfha.org?

RESOLUTION NO. 5141
DATE ADOPTED: 2/10/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH KUTAK ROCK LLP TO PROVIDE BOND COUNSEL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $97,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

WHEREAS, the San Francisco Housing Authority (Authority) requires a consultant who can provide bond counsel services on an as-needed, task assignment basis; and

WHEREAS, the Authority has no current contract with a bond counsel firm; and

WHEREAS, the Authority anticipates issuing a bond issue for Valencia Gardens between $35 and $40 million by July 2004; and

WHEREAS, the Authority may consider negotiating an additional task assignment for a future bond issue for capital improvements and revitalization which will require bond counsel services; and

WHEREAS, Kutak Rock LLP has been selected through the Request for Proposals process as the most qualified and best value firms for this work; and

WHEREAS, funding for the Valencia Gardens HOPE VI bond issue is available within the proceeds of the bonds, as would funding for any additional potential bond issues; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract with Kutak Rock LLP for Bond Counsel Services on an as-needed, task assignment basis in an amount not-to-exceed $97,000 for the Valencia Gardens HOPE VI bond issue.

2. The Executive Director may request Commission authorization to negotiate an additional task assignment in a not-to-exceed amount for a future bond issue for capital improvements or revitalization.

3. All costs for this contract will be paid from the proceeds of the bonds.

4. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date: 2-6-4

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 2/6/04

C

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: FEBRUARY 4, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED TO PROVIDE INVESTMENT BANKING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $265,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with the highest-ranked investment banking firm on an as-needed, task assignment basis over the next two years. This contract will provide the San Francisco Housing Authority (Authority) with an investment banking firm to provide underwriting and, if necessary, remarketing agent services for the Valencia Gardens HOPE VI development. It further provides an option for the Executive Director to come back to the Commission and ask for authorization to negotiate an additional not-to-exceed amount for a task assignment to explore financing for future capital improvements and revitalization activities.

The Authority anticipates issuing at least one $35 to $40 million bond issue for the Valencia Gardens HOPE VI development in July 2004.

OBJECTIVE

The objective of this contract is to provide the Authority with competent professional investment banking services. The investment banking firm will assist in structuring the tax-exempt financing and will sell the bonds in the most efficient and cost-effective way.

The responsibilities of the underwriter will include, without limitation:

1. Advise and assist the Authority in formulating and executing a debt-financing plan to accomplish the public purpose of the financing. Recommend a maturity schedule, redemption terms and other terms of the issue.

2. Review and assess sources of revenue to support the proposed debt service on the bonds.

3. Provide structuring advice to ensure the maximum feasible investment grade rating on the bonds. Participate in all activities associated with bond rating reviews.

4. Recommend a marketing plan that would result in the most favorable terms and cost of the financing. The plan should assess all relevant bond market conditions to recommend timing and pricing of the bond sale.

5. Assist bond counsel and underwriter's counsel in the preparation of documentation for the financing. Prepare and arrange printing and mailing of the preliminary and final official statements.

6. If necessary, during the term of the Bonds and as required by the structure, serve as the remarketing agent for the Bonds.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

Solicitation Process

Pre-approval of the RFP document and process was obtained from Authority management prior to advertisement. The RFP document was prepared by CSG Advisors, Inc., financial advisors to the Authority. The RFP document was conformed to the Authority's master procurement documents prepared by the Procurement and Contracts Department (P&C) and was issued by the Housing Development and Modernization Department (HD&M). The RFP was approved by P&C prior to issuance.

Solicitation 03-620-RFP-063 was issued on November 25, 2003. Announcement of the RFP was made to the City Outreach Services and was put on the web sites for the Authority, the City, and the Small Business Administration. The notice of the RFP was published in the San Francisco Chronicle/Examiner, the Sing Tao Daily, and the San Francisco Bay View. Announcements and RFP packets were sent directly to seven investment banking firms specializing in housing bonds.

Five Proposals were received on the January 8, 2004 due date:

- Goldman, Sachs & Co. and First Commonwealth Securities Corporation (Goldman)
- Merrill, Lynch, Pierce, Fenner & Smith Incorporated (Merrill)
- Newman & Associates (Newman)
- RBC Dain Rauscher (RBC Dain)
- UBS Financial Services Inc. (UBS)

Evaluation Process

In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed and ranked the written Proposals with a total possible score of 100 points by each panelist. All five responding firms were invited to separate telephone interviews with the Evaluation Panel on January 28, 2004, where they were given 10 minutes to make a presentation of their experience and past performance. The Evaluation Panel took the next 30 minutes to ask pre-determined questions (Attachment A) of each firm. Each firm was then given five minutes to summarize their Proposal.

After the interviews, the Evaluation Panel prepared a final evaluation and scoring with up to an additional 100 points by each panelist based on the interviews to identify the firms with the overall highest-ranked qualifications. All firms were then asked to carefully review their Proposal and to provide a best and final offer for fees and costs. The Evaluation Panel then made a final complete analysis of the Proposals as modified by the best and final offers and selected the firm that provided the best value to the Authority.

Evaluation Criteria

Listed below are the evaluation criteria and their relative weight for the written and interview components. Described in italics are the reasons for the different criteria. The evaluation criteria are based on the Authority's standards for Request for Proposals questions and weighing as contained in the Authority's Procurement Procedures Manual. The Director of the Contract/Procurement Division approved the criteria and weighting given to each.

No.	Criteria & Reason	Weight
A	Criterion: Experience *This allows evaluation of the firm's technical expertise as measured by the firm's past performance and ability to provide effective investment banking services, and/or remarketing agent services, including both Capital Fund bond issues and governmental purpose and multifamily bond issues.*	50 points
B	Criterion: Capabilities *This allows evaluation of the firm's capacity to provide the desired services, including Structuring Capabilities and Marketing / Remarketing Capabilities, based on the firm's experience with Capital Fund or similar bond issues that will be of value to the Authority in structuring its Capital Fund bond issues*	20 points

C Criterion: Staff Qualifications 25 points

This provides insight into the quality of the staff as measured by their professional degrees, licenses and experience with the type of work required by this contract. The local staff size and their credentials is a quantitative measure of their knowledge, and is indicative of their ability to respond quickly with qualified staff.

D Criterion: Affirmative Action. 5 points

This allows evaluation of the firm's commitment to MBE/WBE participation and methods by which the Consultant would approach compliance for hiring Authority residents.

Total 100 points

Best and Final Offers: Each of the five firms were asked to carefully review its Proposal and to provide a best and final offer for its fees and costs. The Evaluation Panel then made a final complete analysis of the Proposals as modified by the best and final offers:

Firm	Written	Interview	Total	Cost	Final Rank
♦ UBS	273.5	281.5	555.0	Highest	2
♦ Merrill	248.0	257.0	505.0	Lowest	1
♦ RBC Dain	243.0	250.0	493.0	2nd Highest	3
♦ Goldman	249.5	232.0	481.5	Not in competitive range	
♦ Newman	251.0	223.5	474.5	Not in competitive range	

Evaluation Panel Conclusions

By their scoring and ranking, the Evaluation Panel determined that although UBS was the top-rated under the evaluation criteria, Merrill provides the best experience and qualifications at the best cost to the Authority. Over the past five years Merrill has served as senior manager on over $1.2 billion of competitive municipal bonds for San Francisco issuers, including the City and County, the Redevelopment Agency, and the Airport Commission. Merrill Lynch as senior or co-manager for over $4.8 billion of negotiated multi-family housing revenue bonds since June 30, 2001. Their Housing Finance Department in New York will lead the financing transactions.

The Evaluation Panel also noted that the Merrill staff is highly qualified and experience. The assigned staff has substantial housing bond financing experience. Moreover, the firm has an on-going relationship with investors interested in capital fund transactions, which results in an ability to bring in buyers willing to pay a very aggressive price for these types of bonds. The higher prices paid for bonds will drive down the interest rates, resulting in the lowest interest costs for the Authority, and the maximum available proceeds for the Authority's modernization and rehabilitation programs.

Evaluation Panel Members
Member: CSG Advisors, Inc, Senior Associate. Selected for highly specialized expertise in bond financing for public housing and familiarity with the Authority's financing needs.

Member: Finance Department, Administrator. Selected for expertise in the Authority's finances.

Chairperson: Housing Development and Modernization Department, Administrator. Selected for prior experience with the Authority's bond issues and public housing financing.

PRESENT SITUATION
The Authority is preparing to issue $35 to $40 million in private activity bonds (the "Bonds") as part of the overall financing for Valencia Gardens. The Authority currently anticipates that the Bonds will be issued as one or more series under a single indenture. All of these Bonds would be issued as private activity bonds to allow for the use of Low Income Housing Tax Credit financing for the project. The proceeds of the issue will be loaned to the Valencia Gardens housing partnership of which the Authority or its affiliate may be General Partner for its use in financing the redevelopment of Valencia Gardens.

The Authority currently has a HOPE VI grant from HUD for redevelopment of the Valencia Gardens site, and has a DDA with Mission Housing Development Corporation for development services. The selected investment banking firm will be used for the bond issues related to this development.

The Authority anticipates that any Bonds will be publicly sold and that the issue will close sometime in 2004. The Bonds will be a combination of short-term (collateralized by HOPE VI and tax credit equity) to be paid off after completion of construction, and long-term amortized according to the requirements of the underlying credit enhancement.

Issuance of the Bonds will be subject to the approval of the Board of Commissioners of the Authority.

In the future, as part of an overall plan of financing capital improvements, the Authority may investigate other bond issues within the two-year period covered by this contract. In such event, the Executive Director would request Commission authorization to negotiate a second task assignment with this same firm.

ANTICIPATED OUTCOMES
If this contract is approved, the Authority will receive competent investment banking services and work product on the following items:

- The formulation and execution of a debt financing plan to accomplish the public purpose of the financing. Recommend a maturity schedule, redemption terms and other terms of the issue.
- The review and assessment of sources of revenue to support the proposed debt service on the bonds.

- Advice on Structuring to ensure the maximum feasible investment grade rating on the bonds. Participation in all activities associated with bond rating reviews.
- Recommendations for a marketing plan that would result in the most favorable terms and cost of the financing. The plan should assess all relevant bond market conditions to recommend timing and pricing of the bond sale.
- Assistance to the bond counsel and underwriter's counsel in the preparation of documentation for the financing. Preparation and arrangements for printing and mailing of the preliminary and final official statements.
- If necessary, during the term of the Bonds and as required by the structure, serving as the remarketing agent for the Bonds.
- Residents will have opportunity for training and employment.

WHO BENEFITS

Residents benefit by the Authority's ability to obtain additional financial resources to support the Authority's HOPE VI, modernization and revitalization programs. The Authority benefits from having highly experienced investment banking services capable of achieving the maximum available proceeds from the Authority's bond issues and the lowest interest cost.

BUDGET CONSIDERATIONS

The funding for this proposed contract task assignment is contingent upon the successful issuance of bonds for Valencia Gardens. All costs are paid from the proceeds of the bonds. The not-to-exceed value of the contract is based upon the bond value and type, and the proposed fees associated with this volume and type of bond transaction. In addition, allowing the Executive Director to have an option of coming back to the Commission using this same contract to explore other tax exempt financing for capital improvements may save up to $8,000 in advertising and related solicitation expenses.

RESIDENT EMPLOYMENT

Merrill has agreed to hire public housing residents to meet or exceed the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000. Due to the highly specialized and technical nature of the work, it is anticipated that Merrill will provide appropriate training and development of technical skills in Merrill's San Francisco offices to meet this requirement.

MBE/WBE STATUS

Merrill has a diverse workforce and has provided an Affirmative Action Acknowledgement form that meets the requirements of Executive Order 11246. It is not a MBE/WBE firm.

RECOMMENDATION

Staff recommends approval of this Resolution.

(Prepared by Barbara Smith and Steve Haines, Housing Development and Modernization Department)

Interview Questions for SFHA Investment Banking Services Candidates

1. Assuming you are selected as senior manager, please explain the roles and responsibilities of each person you have listed on your team.

2. Could you give us a short summary of the relevant experience and skills that the team leader brings to a capital fund transaction?

3. Could you describe to us the relevant experience that the team leader brings to a HOPE VI multifamily bond transaction?

4. Who will be your counsel and what role will they play? Will they be drafting the disclosure document (OS)?

5. What do you think is the likelihood that HUD will approve other than a fixed rate transaction? What strategy would you pursue to convince HUD that the structure you propose meets HUD's concerns about safety and ease of draw down through the LOCCS system. What interest rate risks would there be, and could they be entirely mitigated?

6. What sort of property insurance requirements on the entire SFHA housing portfolio might be required by the insurer, if there is one. If such requirements proved too expensive to manage, could the issue be sold without insurance? What would be the effect on the interest rate?

7. What would be the effect of dropping the coverage ratio from 3 to 2.5? How do you think it would affect the rating?

8. Do you think bond insurance is advisable and why?

9. How important is the management assessment, in terms of the final rating of the bonds and the subsequent pricing. Are there any particular concerns?

10. What would be your selling plan for the initial issuance? Would you be assembling a selling group? What do you think the split will be between institutional and retail demand? How would you reach demand inside the state? If the issuance were variable, how would this plan be affected?

11. How would you address SFHA's interest in having minority participation in this contract?

12. How would your pricing be affected by the size of the initial issuance?

13. Given everything you now know, do you see any opportunity to improve the price quotes you initially submitted?

14. Would you be willing to absorb incidental expenses such as fax, copying, email printing, into your rates? (To be paid separately: travel, outside printing costs, and conference calls).

15. Would you review your rates and be prepared to submit a best and final offer for our consideration, to be submitted by January 30 at noon Pacific time to Steve Haines via email at haines@sfha.org ?

RESOLUTION NO. 5142
DATE ADOPTED: 2/10/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED TO PROVIDE INVESTMENT BANKING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $265,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

WHEREAS, the San Francisco Housing Authority (Authority) requires a consultant who can provide investment banking services on an as-needed, task assignment basis; and

WHEREAS, the Authority has no current contract with a investment banking firm; and

WHEREAS, the Authority anticipates issuing a bond issue for Valencia Gardens between $35 and $40 million by July 2004; and

WHEREAS, the Authority may consider negotiating an additional task assignment for a future bond issue for capital improvements and revitalization which will require investment banking services; and

WHEREAS, Merrill, Lynch, Pierce, Fenner & Smith Incorporated has been selected through the Request for Proposals process as the lowest-cost qualified firm for this work; and

WHEREAS, funding for the Valencia Gardens HOPE VI bond issue is available within the proceeds of the bonds, as would funding for any additional potential bond issues; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract with Merrill, Lynch, Pierce, Fenner & Smith Incorporated for Investment Banking Services on an as-needed, task assignment basis in an amount not-to-exceed $265,000 for the Valencia Gardens HOPE VI bond issue.

2. The Executive Director may request Commission authorization to negotiate an additional task assignment in a not-to-exceed amount for a future bond issue for capital improvements or revitalization.

3. All costs for this contract will be paid from the proceeds of the bonds.

4. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date: 2-5-4

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 2/6/04

D

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: February 5, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO REIMBURSE EXPENDITURES FROM PROCEEDS OF FUTURE INDEBTEDNESS ASSOCIATED WITH THE SECURING OF FINANCING FOR VALENCIA GARDENS WITH FUTURE INDEBTEDNESS TO BE REPAID BY VALENCIA GARDENS PROJECT REVENUES

OVERVIEW

This resolution, called an "Inducement Resolution," requests that the Commission take official action to acknowledge the intent of the Housing Authority of the City and County of San Francisco to reimburse Valencia Gardens revitalization expenditures from proceeds of future bond issuance indebtedness, associated with securing financing for Valencia Gardens. The future indebtedness is to be repaid by Valencia Gardens project revenues.

OBJECTIVES

Approval of this resolution will enable the Authority to comply with the requirements of Section 1.150-2 of the Treasury Regulations by declaring its official intent under the regulations to use proceeds of indebtedness to reimburse expenditures incurred in connection with the issuance of up to $40 million in bonds to finance the redevelopment of Valencia Gardens. Since these bonds will be "private activity" bonds, Valencia Gardens would be eligible to receive 4% low income housing tax credits, estimated to generate approximately $23.9 million in equity for the construction. This resolution does not bind the Board of Commissioners to make any expenditure, incur any indebtedness, or proceed with the issuance of bonds for redevelopment of Valencia Gardens.

PRESENT SITUATION

In order to facilitate the financing of Valencia Gardens, the Commissioners are being asked to authorize the Authority to act as the issuing entity for up to $40 million in tax exempt bonds. The bond issue is currently planned for early July 2004, within the required 90 days of receiving a California Debt Limit Allocation Committee (CDLAC) allocation.

The Authority is a public body corporate and politic of the State of California, pursuant to the provisions of the Constitution of the State and pursuant to Chapter 1 of Part 2 of Division 24 (commencing with Section 342000 of the California Health and Safety Code), as amended (the "Act"). As such, the Authority is empowered to issue revenue bonds and loan the proceeds to a private developer for the construction of developments like Valencia Gardens. In acting as issuer, the Authority does not assume any legal or moral obligation to repay these bonds; only the pledged security for the bonds and project cash flows may be used to repay the bonds.

In order to have the Authority act as issuer, the Commissioners are being asked to adopt this Inducement Resolution stating the intent of the Authority to issue tax-exempt bonds for reconstruction of Valencia Gardens. This Inducement Resolution is required as part of the application to the CDLAC for authority to issue tax-exempt bonds that is due on February 18, 2004. Once the Authority applies to CDLAC for authorization to issue tax-exempt bonds for Valencia Gardens, Mission Housing Development Corporation (MHDC) will then be able to apply to the Tax Credit Allocation Committee (TCAC) for the tax credit allocation on a non-competitive basis.

Qualified Bond Counsel and Underwriter are being added to the Authority's advisory team to carry out the bond issue currently comprised of CSG Advisors, Goldfarb Lipman and Authority staff. Bond Counsel passes on the validity of the Bonds under state law and the tax-exempt status of the Bonds under federal and state law. Bond Counsel also drafts the main financing documents such as the Indenture, Loan Agreement, Regulatory Agreement and closing papers. The Underwriter structures the bond issue, assists the project owner in choosing the optimal financing structure, coordinates financing participants, obtains bond rating and sells the bonds. Both Bond Counsel and Underwriter will be paid out of the bond proceeds once the bonds have been successfully issued.

The amount of tax-exempt bond proceeds will be sized to meet the minimum requirements of Section 142 of the IRS code so that the project is eligible for 4% tax credits on its entire eligible basis. The percentage of tax-exempt bond financing to the development cost of $64,719,741 is 57.17%, well above the 51% minimum required to make the project eligible for four-percent tax credits. The Authority will not be pledging any of its assets as the issuer of the bonds. The bonds will be special limited obligation bonds that will be repaid from Valencia Gardens' project-specific resources.

Prior to actually issuing the bonds, the Commission will be asked to authorize the issue and execution of the following documents related to the transaction:

- ***Official Statement*** – describes the transaction to bond purchasers; gives required disclosures.
- ***Trust Indenture*** – provides for trustee to control issuance of bonds, use of bond proceeds and repayment on behalf of bondholders
- ***Loan Agreement*** – Authority loans bond proceeds to the partnership, the partnership is obligated to repay the loan to the Authority, and the Authority is obligated to repay the bondholders.
- *Regulatory Agreement* – agreement that includes the required affordability requirements to be recorded against the project as a condition of the issuance of tax-exempt bonds.
- ***Bond Purchase Agreement*** – agreement by the underwriter to purchase the bonds from the Authority.
- ***Escrow Agreement*** – agreement between the Authority and the limited partnership to form an escrow account that will be use to repay the bonds.

The schedule outlined above for application to CDLAC in February will enable the next critical steps to take place including: submitting the Mixed Finance Proposal/Rental Term sheet to HUD by June 30, 2004, issuing bonds by early July, prior to the expected July 10, 2004 CDLAC 90 day deadline, submitting evidentiaries to HUD by July 30, 2004, obtaining HUD approval for closing by September 30, 2004 and starting construction on Valencia Gardens by the end of October. Adhering to this schedule is a priority goal for the Authority in order to meet HUD checkpoint deadlines and complete the Valencia Gardens revitalization process within the time currently allowed by HUD.

BUDGET CONSIDERATIONS

This resolution does not bind the Authority to make any expenditure, incur any indebtedness or proceed with the issuance of bonds in order to finance the revitalization of Valencia Gardens. The Authority shall have no liability whatsoever with respect to the bonds. Additional documents related to the issuance of bonds will be submitted to the Commission for approval prior to issuance of the Bonds expected in July of 2004.

The financing plan for Valencia Gardens includes up to $40 million in tax-exempt (below market rate) bond funds for construction financing. Utilization of the bond funds will also provide access on a noncompetitive basis to 4% tax credits for $23.9 million in tax credit equity. By acting as issuer, the Authority allows the project to seek a private activity bond allocation in the first round of State allocations in 2004.

WHO BENEFITS

The Valencia Gardens residents, the Authority, the Mission District neighborhood and the City all benefit from securing all of the financing and the successful and expeditious implementation of this plan for safe, well-designed housing and amenities at this site.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith, Housing Development and Modernization Department)

RESOLUTION NO. 5143

DATE ADOPTED: 2/10/04

RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO REIMBURSE EXPENDITURES FROM PROCEEDS OF FUTURE INDEBTEDNESS ASSOCIATED WITH THE SECURING OF FINANCING FOR VALENCIA GARDENS WITH FUTURE INDEBTEDNESS TO BE REPAID BY VALENCIA GARDENS PROJECT REVENUES

WHEREAS, the Housing Authority of the City and County of San Francisco (the "Authority") is the current owner of certain real property, located at 1792 15th Street between Valencia and Guerrero Streets in the City and County of San Francisco, California, on which was located a public housing project commonly known as Valencia Gardens; and

WHEREAS, the Authority was awarded HOPE VI Implementation Grant funds from the U.S. Department of Housing and Urban Development (HUD) for demolition and reconstruction of Valencia Gardens; and

WHEREAS, the Authority has agreed to lease the Real Property under a long term lease to a California limited partnership to be formed pursuant to the Disposition and Development Agreement, which plans to develop a project ("Valencia Gardens") consisting of 260 newly constructed one-, two-, three- and four-bedroom housing units, to be rented primarily to persons of low income; and

WHERERAS, the Authority desires to finance the reconstruction through a mixed financing structure that will require the issuance of debt through tax exempt bonds and sale of tax credits to investors; and

WHEREAS, the Authority is a public body corporate and politic of the State of California (the "State"), pursuant to the provisions of the Constitution of the State and pursuant to Chapter 1 of Part 2 of Division 24 (commencing with Section 342000 of the California Health and Safety Code), as amended (the "Act"); and

WHEREAS, the Authority is authorized and empowered, among other things, (a) to issue revenue bonds and use the proceeds thereof in accordance with the Act, (b) to loan the proceeds thereof to finance the acquisition of "projects" as defined in the Act, (c) to make a special, limited pledge of certain of its property and revenues to secure the payment of the principal of, premium, if any, and interest on its bonds and (d) to enact this Resolution and enter into Documents; and

WHEREAS, Resolution 5139 was adopted by the Commission on January 22, 2004 authorizing the Executive Director to hold a TEFRA hearing in order to comply with the public approval requirements of Section 147 (f) of the Internal Revenue Code of 1986, as amended and obtain a tax exempt bond allocation from the California Debt Limit Allocation Committee (CDLAC) for the financing of Valencia Gardens; and

WHEREAS, the Board of Commissioners has determined that the moneys advanced and to be advanced to pay certain expenditures of Valencia Gardens are or will be available

only for a temporary period and it is necessary to reimburse such expenditures with respect to the redevelopment of Valencia Gardens from the proceeds of one or more issues of tax-exempt bonds; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Board of Commissioners to declare its reasonable official intent to reimburse prior expenditures for the reconstruction of Valencia Gardens with proceeds of a tax-exempt borrowing.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Board of Commissioners finds and determines that the foregoing recitals are true and correct.

2. This Resolution is adopted by the Board of Commissioners solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the Board of Commissioners to make any expenditure, incur any indebtedness, or proceed with the issuance of bonds in order to finance the redevelopment of Valencia Gardens.

3. The Board of Commissioners hereby declares its official intent under Treasury Regulations Section 1.150-2 and declares its intent to use proceeds of indebtedness to reimburse expenditures incurred in connection with the issuance of bonds to finance the redevelopment of Valencia Gardens.

4. All reimbursable costs to finance the redevelopment of Valencia Gardens will be of a type properly chargeable to a capital amount under general federal income tax principles.

5. The maximum principal amount of the tax-exempt debt to be issued for the redevelopment of Valencia Gardens is $40,000,000.

6. All actions heretofore taken by any appropriate official or employee of the Authority with respect to financing the redevelopment of Valencia Gardens are hereby approved, confirmed and ratified.

7. This Resolution shall be effective immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date 2-5-4

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 2/6/04

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SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: February 5, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) FOR AUTHORIZATION TO ISSUE UP TO $40,000,000 IN TAX EXEMPT BONDS FOR VALENCIA GARDENS AND DEPOSIT $100,000 FROM VALENCIA GARDENS HOPE VI PREDEVELOPMENT LOAN FUNDS INTO A PERFORMANCE DEPOSIT ACCOUNT

OVERVIEW

This resolution requests Commission authorization for the Executive Director to submit an application to the California Debt Limit Allocation Committee (CDLAC) by the February 18, 2004 deadline for authorization to issue up to $40,000,000 in tax exempt bonds for the Valencia Gardens HOPE VI revitalization. It also requests authorization to place $100,000 of Valencia Gardens HOPE VI predevelopment funds into an account as a Performance Deposit that would be released if the Authority receives an allocation and issues the bonds. The deposit would be forfeited if the Authority receives an allocation and does not issue bonds.

OBJECTIVES

Approval of this resolution will enable the Authority, as Issuer, to submit an application to CDLAC for authorization to issue up to $40,000,000 in tax exempt (below market rate) bonds for Valencia Gardens construction and permanent financing. All but $12.4 million of the bonds will be paid off at completion of construction. Of the remaining $12.4 million, approximately $6.6 million repaid over 15 years and $5.8 million repaid over 30 years. Since these bonds will be "private activity" bonds, Valencia Gardens would also be eligible to receive 4% low income

housing tax credits, estimated to generate approximately $23.9 million in equity that does not have to be repaid for the revitalization.

Once the Authority applies to CDLAC for authorization to issue tax-exempt bonds for Valencia Gardens, Mission Housing Development Corporation (MHDC) will then be able to apply to the Tax Credit Allocation Committee (TCAC) for the tax credit allocation on a non-competitive basis.

PRESENT SITUATION

In order to facilitate the financing of Valencia Gardens, the Commissioners are being asked to authorize the Authority to act as the issuing entity for up to $40 million in tax exempt bonds. The CDLAC application is due on February 18, 2004 and allocations are expected to be made by the middle of April. The bond issue is currently planned for early July 2004, within the required 90 days of receiving a CDLAC allocation.

The Authority is a public body corporate and politic of the State of California, pursuant to the provisions of the Constitution of the State and pursuant to Chapter 1 of Part 2 of Division 24 (commencing with Section 342000 of the California Health and Safety Code), as amended (the "Act"). As such, and in accordance with federal law, the Authority is empowered to issue revenue bonds and loan the proceeds to a private developer for the construction of affordable housing developments like Valencia Gardens that serve persons of moderate, low or very low income.

In acting as issuer, the Authority is acting as a "conduit" and does not assume any legal or moral obligation to repay these bonds: only the Valencia Gardens pledged security for the bonds and project cash flows may be used to repay the bonds.The Authority will not be pledging any of its assets as the issuer of the bonds. The bonds will be special limited obligation bonds that will be repaid from Valencia Gardens' project-specific resources.

The amount of tax-exempt bond proceeds will be sized to meet the minimum requirements of Section 142 of the IRS code so that the project is eligible for 4% tax credits on its entire eligible basis. The percentage of tax-exempt bond financing to the development cost of $64,719,741 is 57.17%, well above the 51% minimum required to make the project eligible for four-percent tax credits.

Prior to actually issuing the bonds, the Commission will be asked to authorize the issue and execution of the following documents related to the transaction:

- ***Official Statement*** – describes the transaction to bond purchasers; gives required disclosures.
- ***Trust Indenture*** – provides for trustee to control issuance of bonds, use of bond proceeds and repayment on behalf of bondholders

- ***Loan Agreement*** – Authority loans bond proceeds to the partnership, the partnership is obligated to repay the loan to the Authority, and the Authority is obligated to repay the bondholders.
- *Regulatory Agreement* – agreement that includes the required affordability requirements to be recorded against the project as a condition of the issuance of tax-exempt bonds.
- ***Bond Purchase Agreement*** – agreement by the underwriter to purchase the bonds from the Authority.
- ***Escrow Agreement*** – agreement between the Authority and the limited partnership to form an escrow account that will be use to repay the bonds.

The schedule outlined above for application to CDLAC in February will enable the next critical steps to take place including: submitting the Mixed Finance Proposal/Rental Term sheet to HUD by June 30, 2004, issuing bonds by early July, prior to the expected July 10, 2004 CDLAC 90 day deadline, submitting evidentiaries to HUD by July 30, 2004, obtaining HUD approval for closing by September 30, 2004 and starting construction on Valencia Gardens by the end of October. Adhering to this schedule is a priority goal for the Authority in order to meet HUD checkpoint deadlines and complete the Valencia Gardens revitalization process within the time currently allowed by HUD.

BUDGET CONSIDERATIONS

The financing plan for Valencia Gardens includes up to $40 million in tax-exempt (below market rate) bond funds for construction financing. Utilization of the bond funds will also provide access on a noncompetitive basis to 4% tax credits for $23.9 million in tax credit equity. By acting as issuer, the Authority allows the project to seek private activity bond allocation in the first round of State allocations in 2004.

The amount of the Performance Deposit required by the State in order to get an allocation from CDLAC is 1% of the proposed bond issue or a maximum of $100,000. The $100,000 of Valencia Gardens HOPE VI predevelopment funds will be placed into a special Authority account as a Performance Deposit. The State allows release of these funds if the Authority receives an allocation and issues the bonds. The deposit would be forfeited if the Authority receives an allocation and does not issue bonds. The HUD Office of Public Investments has approved the use of $100,000 of Valencia Gardens HOPE VI Predevelopment funds for this use.

WHO BENEFITS

The Valencia Gardens residents, the Authority, the Mission District neighborhood and the City all benefit from securing all of the financing and the successful and expeditious implementation of this plan for safe well-designed housing and amenities at this site.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith, Housing Development and Modernization Department)

RESOLUTION NO. 5144

DATE ADOPTED: 2/10/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) FOR AUTHORIZATION TO ISSUE UP TO $40,000,000 IN TAX EXEMPT BONDS FOR VALENCIA GARDENS AND DEPOSIT $100,000 FROM VALENCIA GARDENS HOPE VI PREDEVELOPMENT LOAN FUNDS INTO A PERFORMANCE DEPOSIT ACCOUNT

WHEREAS, the Housing Authority of the City and County of San Francisco (the "Authority") was awarded HOPE VI Implementation Grant funds in the amount of $23,230,641 from the U.S. Department of Housing and Urban Development (HUD) for the demolition and reconstruction of Valencia Gardens; and

WHEREAS, the Authority was awarded HOPE VI Implementation Grant funds from the U.S. Department of Housing and Urban Development (HUD) for demolition and reconstruction of Valencia Gardens; and

WHERERAS, the Authority desires to finance the reconstruction through a mixed financing structure that will require the issuance of debt through tax exempt bonds and sale of tax credits to investors; and

WHEREAS, the Authority is a public body corporate and politic of the State of California (the "State"), pursuant to the provisions of the Constitution of the State and pursuant to Chapter 1 of Part 2 of Division 24 (commencing with Section 342000 of the California Health and Safety Code), as amended (the "Act"); and

WHEREAS, the Authority is authorized and empowered, among other things, (a) to issue revenue bonds and use the proceeds thereof in accordance with the Act, (b) to loan the proceeds thereof to finance the acquisition of "projects" as defined in the Act, (c) to make a special, limited pledge of certain of its property and revenues to secure the payment of the principal of, premium, if any, and interest on its bonds and (d) to enact this Resolution and enter into Documents; and

WHEREAS, Resolution 5139 was adopted by the Commission on January 22, 2004 authorizing the Executive Director to hold a TEFRA hearing in order to comply with the public approval requirements of Section 147 (f) of the Internal Revenue Code of 1986, as amended and obtain a tax exempt bond allocation from the California Debt Limit Allocation Committee (CDLAC) for the financing of Valencia Gardens; and

WHEREAS, the Board of Commissioners is being asked to adopt an inducement resolution stating the intent of the Authority to issue tax exempt bonds for reconstruction of Valencia Gardens; and

WHEREAS, the Authority is required to submit an application to the California Debt Limit Allocation Committee (CDLAC) by February 18, 2004 for State authorization to issue up to $40,000,000 in tax exempt bonds; and

WHEREAS, approval of the CDLAC application by the State will enable the Authority to apply for an allocation of four percent Low Income Housing Tax Credits on a non-competitive basis; and

WHEREAS, a deposit of $100,000 in Valencia Gardens HOPE VI Predevelopment Loan funds must be established in accordance with CDLAC requirements that will be released upon issuance of the bonds or forfeited if the Authority decides not to issue the bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Board of Commissioners finds and determines that the foregoing recitals are true and correct.

2. This Resolution is adopted by the Board of Commissioners for purposes of submission of an application to CDLAC for State authorization to issue up to $40,000,000 in tax exempt bonds and establishment of an account in the amount of $100,000 that will be released upon issuance of the bonds or forfeited if the Authority decides not to issue bonds.

3. This Resolution shall be effective immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date 2-5-4

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 2/6/07

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Tuesday, February 10, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Tuesday, February 10, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:14 p.m.

1. ROLL CALL

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Roll call found the following members to be:

PRESENT: *George R. Brown, Vice President*
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

ABSENT: *Julie Lee, President (excused)*
Sululagi Palega, Sr., Commissioner (excused)
Andrew Clark, Commissioner (excused)

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Commissioner Smith moved to approve the agenda. Commissioner Gans seconded the motion. The motion to approve the agenda was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes. Commissioner Gans seconded the motion. Gregg Fortner, Executive Director reminded the Commission that only those present for January 22, 2004 meeting could vote to approve the minutes. Vice President Brown questioned whether it was necessary for a quorum of those present at that meeting be there to vote on the minutes. Mr. Fortner was uncertain and suggested taking up the matter at a later time during the meeting. Vice President Brown asked Donna Martin, Agency Counsel, to research the answer.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director requested permission to report on the General Communications and the Report of Secretary simultaneously. There were no objections. Mr. Fortner first reported on the Public Housing Lease-Up activity. The total number of available units was 39 and the make ready units totaled 350. Next, Mr. Fortner reported on the memorandum regarding the collection of vacated accounts. The SFHA has entered into a Memorandum of Understanding with the Treasurer's Office to collect on the vacated accounts. The Treasurer will keep 25% of whatever they collect. Mr. Fortner then announced that a Public Housing Tenant Association Representative had been elected. Kimberly Brown (Bernal Dwellings) is the President; LaVelle Shaw (Alice Griffith), 1st Vice President; Tamara Brown (Sunnydale), 2nd Vice President; Sandra Swanson (Hayes Valley), Corresponding Secretary; Barbara Crittle (Hunter's Point A West), Recording Secretary; Ramona Collie (Potrero Hill Terrace), the sergeant of arms; and Neola Gans (Alice Griffith) is the Treasurer. Mr. Fortner suggested that those elected to the PHTA visit a City Wide Council Senior/Disabled meeting to learn how to conduct a meeting.

Commissioner Smith asked why the President of Hunter's View Tenant Association had been in office for so long. Mr. Fortner answered that the term of office is determined by the Bylaws of each tenant association. Commissioner Smith then asked if it was possible for the family sites to have a separate senior council. Mr. Fortner explained that it was possible, but it would have to be the will of that particular site. Commissioner Smith commented that she would like to see the seniors of the family sites attend the City Wide Council Senior/Disabled meetings. Mr. Fortner replied that the issue would be something for the City Wide Council to deal with.

Mr. Fortner began the Report of Secretary discussing the Homeless Cabinet of the Mayor's Office. Their assignment was to focus on the chronically homeless. Mr. Fortner said the cabinet would meet once a month, and he would report back to the Commission on the SFHA's role in the progress of this project. Mr. Fortner went on to discuss a meeting at the Mayor's office on the previous day. The Mayor took all of the various department heads out to Hunter's View to obtain commitments to improving the area. Mr. Fortner said that he would follow up on those obligatory statements. A basketball tournament is being organized. The teams would be comprised of a police officer, a city employee and a youth. Mr. Fortner shared ideas to get the community involved in making Hunter's View a better place to live. Mr. Fortner said that the SFHA is also collaborating with the Police Department for more effective law enforcement. Residents have a fear of talking to the police, which makes it difficult for the police to solve crimes. A proposed solution to aid in changing the perspective is for the SFHA to hire two police officers whose beat would be Bay View Hunter's Point. The residents would have input in the selection of these officers, and their assignment for the first six months would be to

knock on every door and introduce themselves as the community policing officers. These two officers would be assigned to Hunter's View for at least a year to build the trust between the police department and the community. Finally, Mr. Fortner discussed a new proposal from Congress that would block grant Section 8 funds to housing authorities and freezing them at this year's levels. Mr. Fortner said that he would be working with the local representatives to defeat this initiative and show the rest of the country how important Section 8 is to California.

Vice President Brown asked Mr. Fortner if there was any positive media coverage of the Mayor's visit to Hunter's View. Mr. Fortner responded that the media was not present, but did contact him earlier that day. Therefore, there may be some news coverage about it in the near future. Vice President Brown asked if the other entities were putting together a plan of execution. Mr. Fortner answered that commitments were made in the presence of the Mayor and there would be some serious follow up. Vice President Brown commented that he would like to see these efforts expand to other developments as well. Mr. Fortner replied that the efforts would begin in Hunter's View, but is intended to spread to other areas as well. Mr. Fortner stated that the Mayor understands how much public housing has been affected by the budget cuts, and that it would take a collaborative effort to make the necessary changes.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No Report.

Personnel Committee
No report. Vice President Brown inquired whether there was a personnel committee. Mr. Fortner answered that the committee was established to develop personnel rules, which took about a year to accomplish. Since then the Personnel Committee has not met regularly. Mr. Fortner stated that this was one of the reasons why a Commissioner's training was imperative to assist in revising the bylaws establishing such committees or abolishing them. Vice President Brown requested the guidelines to the Personnel Committee. Mr. Fortner said that the Commission would be provided with the bylaws and the minutes of the meeting establishing the Personnel Committee.

Mr. Fortner informed the Commission that they could now vote on the approval of the minutes. Commissioner Gans excused herself and Vice President Brown called into question whether it took a majority of those present to vote on the matter or a majority of those present at the January 22, 2004 meeting to vote. Mr. Fortner explained that the Commission could not conduct business unless four Commissioners were present, but could vote on the approval of the minutes when all four were present. Ms. Martin further

explained that if corrections were to be made at a later date a 2/3 vote would be necessary.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that items noticed on the agenda would be discussed during the closed session.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

Mr. Fortner stated that the Vice President of City Wide Council – Senior/Disabled, Phillip Lacy would be reporting. Mr. Lacy reported that the newly elected officers were sworn in on February 9, 2004. The whole board returned besides one new person. Mr. Lacy informed Commissioner Smith that he would take her concerns to the President and the board to determine what action could possibly be taken. The Memorandum of Understanding with the SFHA is to be signed on February 13, 2004.

Public Housing Tenants Association (PHTA)

No representative was present.

Commissioner Smith moved to approve the minutes. Commissioner Gans seconded the motion. The motion to approve the minutes of the January 22, 2004 Commission meeting was unanimously passed.

8. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

9. UNFINISHED BUSINESS – None

10. NEW BUSINESS

Resolution No. 5140

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR MOVING AND STORAGE SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT TO EXCEED $120,000

Dominica Henderson of the Office of General Counsel presented the details of the resolution. Ms. Henderson explained that the California Civil Code Section 1983 requires the storage of the tenant's belongings for at least 15 days when performing and eviction action. The SFHA residential lease stipulates that the belongings of evicted tenants be stored for 30 days. The procurement process was in congruence with HUD handbook as well as the SFHA procurement policy. An RFQ was sent to 24 moving and storage companies. Two responses were received and elected to conduct business. The budget for this contract is through the 2004-2005 Low Income funds.

Commissioner Woodruff asked if the SFHA has always had a two-year contract with a moving and storage company. Ms. Henderson answered no and typically it was a one-year contract with an option to extend it for another year. Mr. Fortner added that most companies did not consider this contract because of the storage component. Expenses are expected to be at $60,000 this year, but decrease the following year. Commissioner Woodruff asked what happens to the tenant's property after 30 days. Ms. Henderson answered that the contractor has the option to sell or dump the property.

Commissioner Smith asked how many moving and storage companies are utilized in one month. Ms. Henderson answered that 6-7 evictions are conducted per month. Commissioner Woodruff asked if that was the reasoning behind two contractors versus one. Ms. Henderson answered that this option was to be in compliance with the wishes of the Commission to diversify SFHA contractors. In addition, it would be more convenient if there were simultaneous eviction times. Mr. Fortner added that more than one contractor makes it easier to coordinate efforts with the law enforcement officials as well.

Ms. Henderson explained what happens on the day a tenant is being evicted in answer to Vice President Brown's question.

Commissioner Woodruff moved to approve Resolution No. 5140. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5140 was unanimously passed.

Resolution No. 5141

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH KUTAK ROCK LLP TO PROVIDE

BOND COUNSEL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $97,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

Barbara Smith, Housing Development and Modernization Administrator presented this resolution. Ms. Smith asked Steve Haines and Dominica Henderson to come forward to explain the procurement process involved. Mr. Haines reported that the bond counsel would be responsible for advising the Authority on a number of issues concerning the bonds such as, writing all documents in conformance with all Federal, State and Treasury Dept. regulations which make it attractive to potential investors. Mr. Haines explained the procurement process to the Commission reporting that six responses were received by the deadline. Mr. Haines asked Ms. Henderson to report on the evaluation process. Ms. Henderson explained that the evaluation consisted of three parts. The written evaluation determined the three most qualified firms, which went on to the telephone interview. The firms were then asked to submit their best and final offers and they were ranked according to their combined score. Ms. Henderson explained that experience, and expressing how they would meet the needs of the SFHA is what placed each firm in first, second or third ranks. Kutak Rock ranked the highest with the second lowest in fees. Mr. Haines added that the Authority is not paying much more to receive the most qualified service. Mr. Haines then reviewed the present situation, anticipated outcome, who benefits and budget considerations. All costs would be paid by the proceeds of the bonds. Kutak Rock has agreed to hire resident employees, but because they are located in Nebraska, training would be provided in this specialized field in lieu of an actual hire. Mr. Haines invited Bob Star, partner at Kutak Rock, to present a brief overview of the service they would provide.

Mr. Star commented on the experience of their company with other HOPE VI projects nationwide and how to integrate four or five different sources of financing for a single project. Their firm ensures that the SFHA is in compliance with all Federal rules regarding the bonds and the language is written so that the investors know exactly which sources would be used to repay them. In the end, the bond counsel provides an opinion to the investors that all state laws have been satisfied, the debt is enforceable, and that the interest on the debt is exempt from federal taxes.

Commissioner Woodruff asked if the project could be completed without bond counsel. Mr. Star answered no because of the specialized nature of tax-exempt bonds.

In answer to Vice President Brown's question about resident employment, Mr. Star answered that their firm is considering a scholarship program

Commissioner Smith moved to approve Resolution No. 5141. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5141 was unanimously approved.

Resolution No. 5142

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED TO PROVIDE INVESTMENT BANKING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS IN AN AMOUNT NOT-TO-EXCEED $265,000 FOR A VALENCIA GARDENS HOPE VI BOND ISSUE, WITH AN OPTION TO REQUEST COMMISSION AUTHORIZATION TO NEGOTIATE AN ADDITIONAL NOT-TO-EXCEED AMOUNT FOR A FUTURE BOND ISSUE FOR CAPITAL IMPROVEMENTS, WITH ALL CONTRACT COSTS TO BE PAID FROM THE PROCEEDS OF THE BONDS

Steve Haines, Construction Service Manager for Housing Development and Modernization presented the details of this resolution. Mr. Haines reviewed the overview and procurement process. Five proposals were received from national firms. The selection process consisted of a written review of the proposals, an oral interview and then the firm's best and final offer. Mr. Haines reported that the firm's written proposals were very close in scoring, but the oral interview revealed the differences in the companies. Merrill Lynch was selected as the number choice by the panel even though their technical expertise ranked second, the firm had a significant price difference. All proceeds would be paid from the proceeds of the bonds. Resident hiring would be done through their outreach program, internships or scholarships. Merrill Lynch is not woman or minority owned, but is very active in their affirmative action policies.

Commissioner Woodruff asked if resident training would jeopardize the timeframe of the project. Mr. Haines answered no. The resident employment would not necessarily be connected to the project Merrill Lynch would perform under this contract.

Vice President Brown asked the specifics of the type of work to be performed by Merrill Lynch. A representative of Merrill Lynch, Susan Handridge answered that they are responsible for structuring, marketing and underwriting the bonds. Ms. Handridge informed the Commission that if it were ever necessary, Merrill Lynch was capable of underwriting the bonds themselves. Vice President Brown asked if any problems are foreseen with the bonds. Diane Jackson-McLean of Goldfarb and Lipman reassured the Commission that they are confident that the structure proposed is the most favorable for the SFHA. Furthermore, the project is an example of a public private partnership and all entities have a stake in the success of the project. Eric Olson of CSG Advisors endorsed

the choices of the contracts the SFHA was attempting to pass. Mr. Olson stated that the risks of the transaction are slim to none and they highly recommend both firms presented.

Commissioner Woodruff moved to approve Resolution No. 5142. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5142 was unanimously passed.

Resolution No. 5143

(D) RESOLUTION AUTHORIZING THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO REIMBURSE EXPENDITURES FROM PROCEEDS OF FUTURE INDEBTEDNESS ASSOCIATED WITH THE SECURING OF FINANCING FOR VALENCIA GARDENS WITH FUTURE INDEBTEDNESS TO BE REPAID BY VALENCIA GARDENS PROJECT REVENUES

Barbara Smith, Housing Development and Modernization Administrator reported that this resolution allows the Commission to take the first official action to acknowledge the intent of the SFHA to reimburse Valencia Gardens revitalization expenses from a bond issue. The resolution is required by Treasury regulations and enables any Valencia Gardens expenditures incurred after the inducement resolution is approved, to be eligible for reimbursement from the bond proceeds. The resolution is also required by the California Debt Limit Allocation (CDLAC). The Authority has ninety days after CDLAC approval to seek the Commission's approval to issue the bonds. Ms. Smith outlined the reasons it was critical to approve the resolution: (1) maintaining the timeline, (2) submit a mixed finance proposal to HUD, (3) issue the bonds in July, (4) submit all evidentiary documents to HUD, and (5) to close by September 30, 2004 and begin construction. Up to $40,000,000 is to be requested in bonds.

Commissioner Smith asked if these were the funds to go into the escrow account. Ms. Smith answered that the HOPE VI and grant funds are drawn down and put into an escrow account during construction to be used to pay off the 2/3 bonds within two years.

Vice President Brown inquired about the language of the resolution to "authorize the Commission" and why it wasn't to authorize the Executive Director. Mr. Star explained that it is a formal requirement of the IRS to state the intent but does not bind it to anything.

Commissioner Smith moved to approve Resolution No. 5143. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5143 was unanimously passed.

Resolution No. 5144

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) FOR AUTHORIZATION TO ISSUE UP TO $40,000,000 IN TAX EXEMPT BONDS FOR VALENCIA GARDENS AND ESTABLISH A DEPOSIT IN THE AMOUNT OF $100,000 FROM VALENCIA GARDENS HOPE VI PREDEVELOPMENT LOAN FUNDS

Barbara Smith, Housing Development and Modernization Administrator, reported that the performance deposit would be forfeited if an allocation was received, yet the SFHA doesn't issue the bonds. It is anticipated that the application will receive high scores and be approved. Repayment of the bonds would be secured against the buildings of Valencia Gardens and not the land. Ms. Smith explained the process and value of issuing the bonds. The amount of the performance deposit is required by the state to apply and receive an allocation. One percent or a maximum of $100,000 must be placed in a performance deposit. These funds would be released if the SFHA receives an allocation and issues the bonds. The application has to be submitted by February 18, 2004 in order to meet all other deadlines for construction.

Vice President Brown asked if it is assured that the SFHA would not have to forfeit this funding. Mr. Fortner answered yes. Ms. Smith added that HUD has already released the money from predevelopment funds.

Commissioner Woodruff moved to approve Resolution No. 5144. Commissioner Smith seconded the motion. The motion to approve Resolution No. 5144 was unanimously passed.

11. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

There were no public comments on items not on the agenda.

13. COMMISSIONER COMMENTS AND REPORTS

There were no Commissioner comments and reports

14. CLOSED SESSION

Vice President Brown stated that the Commission had completed its public business and would enter into the Closed Session. A Closed Session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Honeywell, Inc. v.

SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations). The Commission went into Closed Session at 5:52 p.m.

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 7:06 p.m. All Commissioners were present during the Closed Session. Vice President Brown asked Ms. Martin to summarize the Commission's decision. Ms. Martin stated that the Commission considered the settlement of the Honeywell case. The legal representatives of the SFHA on the Honeywell case explained the terms of the settlement agreement and the Commission unanimously approved the settlement for an amount to reimburse the improvements that were made by Honeywell in 1996 in exchange for the dismissal of the Honeywell case and Quy Tam case with prejudice. The Commission was also updated on an undisclosed case to protect the settlement negotiations.

16. ADJOURNMENT

Being no further business to come before the Commission, Commissioner Smith moved to adjourn the meeting and Commissioner Gans seconded the motion. Vice President Brown adjourned the regularly scheduled meeting of February 10, 2004 at 7:09 p.m.

Gregg Fortner, Secretary/Executive Director

George Brown, Vice President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, FEBRUARY 26, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
February 26, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - February 10, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE KPA GROUP TO PROVIDE ARCHITECTURAL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew J. Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: February 20, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE KPA GROUP TO PROVIDE ARCHITECTURAL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with the highest-ranked architectural firm on an as-needed, task assignment basis for all developments over the next two years. The contract will provide the San Francisco Housing Authority (Authority) with architectural services for over $29 million in capital improvements from Capital Fund programs funds for 2002 and 2003 for operational fiscal years 2004 and 2005.

OBJECTIVE

The objective of this contract is to provide the Authority with a competent professional, licensed architectural consultant firm to assess the need, design the solution, prepare construction documents for public bidding, and provide technical expertise to evaluate the contractor's construction and performance under the contract.

The task assignment services may include the following:

Existing Facilities:

1. Provide field and office testing and investigations, evaluations, analysis and reports in writing;

2. Develop recommendations and cost estimates to provide corrective actions to any problems revealed in a particular portion of the work;

3. Prepare comprehensive construction documents for public bidding within an estimated construction cost;

4. Apply for and obtain building permits; or

5. Prepare comprehensive construction documents for construction work performed by the Authority's crafts people.

New Construction:

6. Provide Programming;

7. Prepare schematic designs, design developments, outline specifications, construction cost estimates;

8. Prepare comprehensive construction documents for public bidding within an estimated construction cost;

9. Apply for and obtain building permits; or

10. Prepare comprehensive construction documents for construction work performed by the Authority's crafts people.

General

11. Assist with clarifications during the bid process, evaluation of bids received process, contract award and pre-construction phases;

12. Assist the Authority's staff during the construction phase by providing construction administration support services such as clarifications, review of proposed contract changes, performing periodic site inspections, and conducting a final survey to determine if the work performed was in accordance with the project plans and specifications;

13. Attend meetings as required; and

14. Certain task assignments may require the Consultant to retain sub-consultants acceptable to the Authority, or to manage or coordinate with the Authority's other engineering consultants.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws. The completed procurement process has been reviewed and approved by HUD.

The Authority and all public agencies in California are required by State and Federal law to select architects on the basis of qualifications in the form of a Request for Qualifications (RFQ). The highest-ranked firm is selected, subject to the negotiation of fair and reasonable compensation. If agreement cannot be reached, the Authority will negotiate with the next highest-ranked firm, and so on until a fair and reasonable price is obtained.

Solicitation Process

Pre-approval of this RFQ document and process was obtained from Authority management prior to advertisement. The Housing Development and Modernization Department (HD&M) developed this specific RFQ document based on the Authority's master documents prepared by the Procurement and Contracts Department, which also reviewed and approved the RFQ documents

Solicitation 03-620-RFQ-059 was issued on October 24, 2003. Announcement of the RFQ was made to the City Outreach Services and was put on the web sites for the Authority, the City, and the Small Business Administrations. The notice of the RFQ was published in the San Francisco Chronicle/Examiner, Daily Pacific Builder, Sing Tao Daily, and the San Francisco Bay View. Announcements were faxed and e-mailed directly to 135 prospective professionals firms, including 69 MBE/WBE firms from the San Francisco Human Rights Commission list, 56 firms from the Contractors Blue Book, and 11 firms that had responded to prior RFQs.

Ten Statements of Qualifications were received on the November 25, 2003 due date.

Evaluation Process

In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed the written Statements of Qualifications. At the same time, staff checked the references provided by each firm and provided the results to the Evaluation Panel members. Then, the Evaluation Panel invited the four highest-ranked firms for oral interviews. After the interviews, the Evaluation Panel prepared a final evaluation and scoring to select the firm with the highest-ranked qualifications.

Evaluation Criteria

Listed below are the evaluation criteria and their relative weight. Described in italics are the reasons for the different criteria. The evaluation criteria are based on the Authority's standards for Request for Qualifications questions and weighing contained in the Authority's Procurement Procedures Manual. The Director of Contract/Procurement Division approved the criteria and weighting given to each.

No.	Criteria & Reason	Weight
A	Criterion: Qualifications. *This allows evaluation of the firm's technical expertise as measured by the quantity and type of work performed by the firm and its years in business.*	20 points
B	Criterion: Staff Profiles. *This provides insight into the quality of the staff as measured by their professional degrees, licenses and experience with the type of work required by this contract. The local staff size and their credentials is a quantitative measure of their knowledge, and is indicative of their ability to respond quickly with qualified staff.*	20 points
C	Criterion: Understanding of the project. *This demonstrates the firm's familiarity with modernization and rehabilitation issues most frequently encountered with urban public housing in both family housing and mid-rise buildings. A firm with this experience is most capable of providing economical, efficient solutions to the Authority.*	40 points
D	Criterion: Approach to Project. *This item allows us to determine that the selected firm not only has office technical skills but also possesses sufficient field experience to effectively deal with field problems and contractor issues.*	15 points
E	Criterion: Affirmative Action. *This allows evaluation of the firm's commitment to MBE/WBE participation and analysis of its detailed plan for hiring and training Authority residents.*	5 points
	Total	100 points

The following are the combined scoring results of the written proposals and the interviews:

FIRM	WRITTEN	INTERVIEW	TOTAL	RANK
THE KPA GROUP	282	285	567	1
KODAMADISENO	275	273	548	2
ZACHARY NATHAN	265	252	517	3
LIN + MEINHARDT	262	239	501	4
DEL CAMPO & MARU	215	Not in the Competitive Range		
GROSSMAN DESIGN GROUP	201	Not in the Competitive Range		
SALLY SWANSON ARCHITECTS	197	Not in the Competitive Range		
ASIAN NEIGHBORHOOD DESIGN	191	Not in the Competitive Range		
POWELL & PARTNERS	157	Not in the Competitive Range		
ARCHITECTURE TM	149	Not in the Competitive Range		

Evaluation Panel Conclusions
By their scoring and ranking, the Evaluation Panel determined that The KPA Group was clearly the top-rated firm. The firm has significant prior experience with public agencies and institutions, and has provided architectural services to other housing authorities. The KPA Group has a current contract with the Authority for as-needed structural engineering services that has been performed satisfactorily. The reference checks on the firm produced no negative comments.

The KPA Group is a local firm of 20 professionals, which over the last 15 years, has completed more than 1,000 assignments with a constructed value exceeding one billion dollars. Their portfolio includes designs and retrofits on multifamily housing developments. They have provided as-needed architectural services to the City of Oakland, the Port of Oakland, Travis AFB. A multi-disciplinary firm with architects, structural engineers and civil engineers, The KPA Group is well qualified to design practical and cost-effective solutions to planned Authority undertakings.

Evaluation Panel Members
Chairperson: Architect, Housing Development and Modernization Department, Senior Project Manager. Selected for expertise in public housing design and construction, procurement, and consultant management.

Member: Manager Architect, Housing Development and Modernization Department, Senior Project Manager. Selected for expertise in public housing modernization and capital fund programs.

Member: Architect, Housing Development and Modernization Department, Senior Project Manager. Selected for expertise in public housing design and construction.

PRESENT SITUATION
The two current architect consultant contracts are expiring after successful completion of their two-year term. Those consultants provided design, construction documents and construction administration 19 separate task assignments including waterproofing and structural repairs at Westbrook, Alice Griffith and Potrero Annex. The FY01 and FY02 Capital Funds Program include numerous planned construction projects that require architectural services.

A sample of the planned capital work over for the next two years include kitchen range replacement at JFK Towers, window replacement at JFK Towers, roofing and waterproofing at 430/440 Turk Street, and accessibility upgrade for various developments. The Authority also needs to have consultants under contract in order to be able to react quickly to any emergency situations that may arise.

ANTICIPATED OUTCOMES
If this contract is approved the anticipated outcomes are:

- The Authority will receive quality architectural services for the Capital Fund Program.
- The Authority will be able to comply with all Federal, State and City Codes and Regulations.
- The Authority will provide a safer and efficient service to residents.
- Residents will have opportunity for training and employment.

WHO BENEFITS
Residents benefit from having appropriate architectural services for all contracted and in-house construction work. Inadequately designed or constructed improvements can be detrimental to the health and well being of residents. Poorly designed capital improvements also run the risk of code violations. Residents also benefit by the Authority's ability to respond quickly to emergency situations.

BUDGET CONSIDERATIONS
Funding for this planned contract is immediately available within the FY2002 Capital Fund Program. The Authority and all public agencies in California are required by State and Federal law to select engineering consultants on the basis of qualifications in the form of a Request for Qualifications (RFQ). After the most-qualified firm is selected, the hourly billing rates and reimbursable expenses are negotiated.

The service term for this contract will be for the Authority's fiscal years 2004 and 2005. The contract time will be two years, or less if there is an increase in the volume of Capital Fund work and the consultant completes all assigned tasks.

RESIDENT EMPLOYMENT
The KPA Group has agreed to hire public housing residents to meet or exceed the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000. They have contacted the Authority's resident hiring specialist to seek out and interview qualified Authority residents for a 9-week Summer Intern Program. The program is intended for community college students interested in architecture or structural engineering, and would provide the following opportunities in The KPA Group's offices:

- Learn how an architecture/engineering firm works, from marketing for a project to substantial completion of construction
- Learn computer drafting skills / applications (CAD)
- Apply CAD skills on actual design projects
- Sit in on meetings with clients
- Assist with design project documentation and administrative tasks
- Accompany staff to construction sites

MBE/WBE STATUS

The KPA Group, with its staff of 20 and two offices (San Francisco and Oakland), is not considered a small Business Enterprise. It has a diverse workforce in its office and has provided an Affirmative Action Acknowledgement form that meets the requirements of Executive Order 11246. It is not a MBE/WBE firm.

RECOMMENDATION

Staff recommends approval of this Resolution.

(Prepared by Barbara Smith and Steve Haines, Housing Development and Modernization Department)

LIST OF ALL TEN STATEMENTS OF QUALIFICATIONS RECEIVED

WRITTEN QUALIFICATIONS SCORING	TOTAL	RANK
THE KPA GROUP	282	1
KODAMA DISENO	275	2
ZACHARY NATHAN ARCHITECT	265	3
LIN + MEINHARDT	262	4
THE FOLLOWING FIRMS WERE DETERMINED NOT TO BE IN THE COMPETITIVE RANGE FOR TECHNICAL QUALIFICATIONS		
DEL CAMPO & MARU	215	5
GROSSMAN DESIGN GROUP	201	6
SALLY SWANSON ARCHITECTS	197	7
ASIAN NEIGHBORHOOD DESIGN	191	8
POWELL & PARTNERS ARCHITECTS	157	9
ARCHITECTURE TM	149	10

RESOLUTION NO. 5145
DATE ADOPTED: 2/26/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE KPA GROUP TO PROVIDE ARCHITECTURAL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

WHEREAS, the San Francisco Housing Authority (Authority) requires architectural consultants who can provide architectural services on an as-needed, task assignment basis; and

WHEREAS, the contracts with the current architectural consultants are almost completed; and

WHEREAS, the Authority has programmed capital work funded with the FY 2002 and FY 2003 Capital Fund Programs which will require architecture design and construction administration services; and

WHEREAS, The KPA Group has been selected through the Request for Qualifications process as the two most advantageous qualified firms for this work; and

WHEREAS, funding is available within the FY 2002 Capital Fund Program budget; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws, and has been reviewed and approved by HUD.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract with The KPA Group for Architectural Services on an as-needed, task assignment basis for all developments in a total amount not-to-exceed $200,000.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date: 2-20-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 2/20/04

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, February 26, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, February 26, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:07 p.m.

1. ROLL CALL

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Roll call found the following members to be:

PRESENT: *George R. Brown, Vice President*
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

ABSENT: *Julie Lee, President (excused)*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Commissioner Smith moved to approve the agenda. Commissioner Gans seconded the motion. The motion to approve the agenda was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Woodruff moved to approve the minutes. Commissioner Gans seconded the motion. The motion to approve the minutes of the February 10, 2004 Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director requested permission to report on the General Communications and the Report of Secretary simultaneously. There were no objections. Mr. Fortner announced that a new sound system had been installed in the Commission Room in accordance with the Commission Request Log. The lease up report indicated a decline in available units. Seven units had been leased since the previous report was released. The next memorandum was from Mr. Fortner regarding a meeting held by the Mayor with public information officers. Mr. Roetzer of the SFHA attended the meeting. The memo specified who is heading the Mayor's Public Information Office and the centralized communication efforts intended for the entire city. Next, was the resolution that set forth the standing committees of the Commission and the minutes of that particular meeting. The following item was a resignation letter of Commissioner Andrew Clark. Commissioner Clark anticipated that his new duties in the District Attorney's Office would possibly conflict with legal situations of the SFHA and reluctantly resigned. Mr. Fortner suggested that the Commission send Commissioner Clark some sort of acknowledgement and appreciation for his dedicated two-years of service. Mr. Fortner reported that the last item in the folder was information accidentally omitted from the supporting materials of Item A on the agenda. Staff failed to list all of the companies that submitted a bid, thus the document was produced to compensate for the error.

As part of the Report of Secretary, Mr. Fortner announced that former Commissioner, Larry Lee had requested the opportunity to address the Commission. Mr. Lee commented on the flooding at Bernal Dwellings on the day before. Mr. Lee stated that it was an emergency situation where residents were being flooded out. Among those present were, Commissioner Palega, maintenance, and a security company. Mr. Lee said that this security company had volunteered their time to help and requested that the Commission write a letter to the security company acknowledging and thanking them for being concerned citizens and taking care of an emergency situation. Commissioner Palega asked which security company it was. Mr. Fortner answered that it was PPS. Mr. Fortner also commented that the SFHA is collaborating with the city and the SFHA insurance company to determine what compensation could be allotted to the residents affected by the flooding. The staff and community came together in a monumental show of effort to ensure the safety and emergency care of the residents.

Mr. Fortner then asked Barbara Smith to introduce the team working on the Alice Griffith Parking Lot project. This report was in accordance with the Commission's requested three-month update. Ms. Smith stated that the team working on this project made significant accomplishments since last reporting to the Commission. Progress has been made with the plans, environmental approvals, preparing for the city approvals, and working with the community. Ms. Smith introduced everyone working on the team and asked Marty Dalton of McDonald Architects to make his presentation.

Mr. Dalton stated that previously, the Commission had inquired about the soil and environmental condition. Both reports had been given to the Mayor's Office of Housing and been approved. They in turn sent the reports to HUD and recommended approval.

The HUD recommendation is expected back in the next 30-45 days. The Conditional Use permit would be submitted on the week of March 19th for city approval. Mr. Dalton then addressed the Commission's previous questions about the defensibility of the property. The team met with the local police captain and a number of architects to examine the site plan and made adjustments. These adjustments were determined to be sufficient for a defensible plan. Mr. Dalton asked Mr. Fortner to define defensible space. Mr. Fortner explained defensible space as an architectural design that allows residents to be secure from hidden entryways, have adequate lighting and a line of vision enabling sight of criminal activity. Mr. Dalton went through a series of diagrams depicting the adjustments. In accordance with the suggestions of the police department, a much larger fence would be built and lighted walkways to protect the perimeter of the project. The team liked that the rear yards were backed against each other and that the two plazas were centrally located to enable many residents to have a clear view of them. Other positive attributes were that the units were close together and that there were back and frontal views of the property. Mr. Dalton explained that all four sides of the property would have lighting. Mr. Fortner added that the plans are still in the proposal state and no current action of the Commission was required.

Commissioner Woodruff asked if there was direct access from the Alice Griffith Community Garden to the houses. Mr. Dalton answered that the access between the properties is a discussion that needs to happen with the police department, SFHA staff, and the residents. He continued on to explain the various programs available to the residents to successfully move into a home.

Commissioner Palega expressed concerns about whether there was an original meeting with the residents of Alice Griffith to discuss the project. Mr. Fortner answered that there have been at least three meetings with the residents concerning the proposal.

Tracy Dearman of HSM further explained the community outreach and stated that it has been in progress for the last two years. Credit repair and loan workshops have been consistently given. Commissioner Palega stated that he wanted to ensure that the residents were involved so that it didn't come back to haunt the SFHA in the end. Mr. Fortner stated that more extensive outreach would be made to all public housing residents as the process progresses.

Mr. Dalton stated that when they report back in three months, at least three community meetings would have been held. Commissioner Palega requested notification of those meetings. Mr. Fortner asked Juan Monsanto to explain the community input process to the Commission.

Juan Monsanto, Manager of Planning and Program Development explained that staff meets with the tenant associations to determine a plan of action to meet with the residents. An agenda of issues that may be important to residents is prepared. The meetings are fully staffed and minutes are generated from them. Issues that have been

voiced are dealt with as soon as possible. Another meeting is scheduled at the end of each meeting to address any outstanding issues.

Commissioner Palega asked how the residents are notified of the meetings and referenced a PAC meeting held the night before concerning public housing residents. Mr. Fortner explained that the SFHA is not a part of the Project Area Committee and does not receive notification of the meetings or the agenda. The PAC approves projects financed through the Redevelopment Agency and the meeting determined that public housing would not be included in this area project. Mr. Monsanto added that announcements of the meeting were sent according to the Redevelopment Agency's mailing list as well as to all of the residents of the Bay View Hunter's Point sites. Mr. Fortner assured the Commission that no discussions have been held concerning turning over SFHA developments to the Redevelopment Agency. Mr. Monsanto stated that two meetings had been scheduled in Hunter's Point for March 15, 2004, 6:00-8:00p.m. and tentatively, March 23, 2004, 6:00-8:00p.m. at the Alice Griffith development. Commissioner Brown asked that the Commission be notified of these meetings as well.

Vice President Brown asked how many units were going to be in the development. Mr. Dalton answered 75. Vice President Brown also asked if commercial space or laundry mats were being considered. Mr. Dalton answered that each unit would have washer and dryers and all appliances would be included. The homes are for first time homebuyers. As for commercial space, Mr. Dalton explained that it is yet to be determined. Discussions must be had with the SFHA staff as to whether it would be feasible in this area. Mr. Dalton stated that the next time a report is given to the Commission, the status of the Conditional Use permit would be given, SFHA staff negotiations, and a report of the recommendations of the Alice Griffith tenants. Commissioner Palega suggested that they have a sign in sheet at the community meetings. Mr. Dalton agreed.

Mr. Fortner continued in his report that the President's budget not only attacked funding for the operating subsidy of public housing, but is also attacking Section 8 funding. The budget proposed would freeze the funding and housing authorities would issue as many vouchers based on a set amount of block grant funding. Mr. Fortner stated that there are 10,000 Section 8 or Section 8 type units and the SFHA would be working with the national delegates to make sure the needs of California are addressed.

Lastly, Mr. Fortner stated that the elected President of the PHTA was unable to be present because of a court date, but would give a report at the next Commission meeting.

Vice President Brown asked if the SFHA would be facing a situation that the Section 8 vouchers would not be honored. Mr. Fortner answered no, but if Section 8 is funded at the same capacity as this year, the SFHA would not be able to fund the vouchers at the same amount because of rising costs. People would either be dropped from the program or receive less funding.

6. COMMITTEE REPORTS

Diversity Committee
Commissioner Smith stated that the Diversity Committee did not meet, but she and Commissioner Gans and ten residents attended a NOAH conference in New York. The conference encouraged home ownership, and offered administrative training. Commissioner Smith passed around a map of the New York Housing Authority properties and gave the statistics of how many developments were around the city. Commissioner Gans echoed the comments of Commissioner Smith. Commissioner Smith invited Joyce Armstrong to present on the awards dinner.

Ms. Armstrong discussed the conference's emphasis on home ownership, the healthy homes initiative, and affordable housing financing. HQS inspections were also discussed. Ms. Armstrong stated that she really enjoyed their youth programs. Ms. Armstrong also discussed the conference emphasis on voting because the Brooks amendment, that permitted available housing at 30% of one's income, is about to end. Mr. Fortner was commended on the work he's done with voter registration.

Finance Committee
No Report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was nothing to report and no closed session would be held.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President of the City Wide Council – Senior/Disabled, William Vitalie thanked Mr. Fortner and Naja Boyd for the work done on the most recent MOU. Mr. Vitalie expressed concern stemming from the meeting of the City Services Committee. He asked the Commission and the SFHA to help get the sites reinstated as far as their EOC boxes. Mr. Vitalie also asked the Commission or the SFHA to take action against the governor removing the budget for in-home care.

Mr. Fortner added that a letter could be drafted on behalf of the Commission in favor of maintaining the funding of in-home care.

Commissioner Brown also asked that a thank you letter be drafted and sent to the security company for their volunteer services. Mr. Fortner stated that he would prepare a letter to all those involved in the emergency volunteer efforts.

Public Housing Tenants Association (PHTA)

No representative was present.

8. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

9. UNFINISHED BUSINESS – None

10. NEW BUSINESS

Resolution No. 5145

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH THE KPA GROUP TO PROVIDE ARCHITECTURAL SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

Steve Haines, Construction Service Manager reported that the current contracts are expiring and therefore require a renewed procurement process. One of the first assignments proposed is repairing the leaking roof at 440 Turk Street. The standard procurement process was followed and the RFQ was very extensive. Ten solicitations were received by the due date. Mr. Haines brought the Commission's attention to the criteria used for ranking and rating the various qualification statements. All firms below the 4th rank were not technically competitive. The KPA group was determined to be the top ranking firm. Mr. Haines described the characteristics of the company which made it the top ranking firm. If the contract is approved, quality architectural services will be received for tasks of the capital fund program, compliance with the state, federal and city code regulations. Acceptable billing rates were negotiated with the KPA Group and three residents have been identified to work for the company in a paid summer internship

program. The KPA Group is not a small business according to the City of San Francisco, but it is according to the standards of the State of California. They would use subcontracts to meet the MBE/WBE standards.

Vice President Brown asked why one contractor is being used instead of two as in the past. Mr. Haines answered that the change was due to budget constraints.

Commissioner Woodruff asked if their workforce is multicultural. Mr. Haines answered yes and provided the statistics.

Vice President Brown asked how much each previous contract was for. Mr. Haines answered that they were for $165,000 each. Vice President Brown asked if the SFHA would save because this firm would do the work of two firms. Mr. Fortner stated that there would probably be less work.

Commissioner Smith moved to approve Resolution No. 5145. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5145 was unanimously passed.

11. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Sharon Hewitt Director of the San Francisco State CLEAR Project appealed to the Commissioners to provide safe housing to their residents. As a former employee of the SFHA, as a parent and grandparent she asked the Commissioners to thoughtfully consider those murdered on SFHA property as she named them. She stated these incidents and the lack of protocol to deal with such incidents is a sign of the miserable failure of the SFHA to provide the first mandate of public housing. She asked for partnership in this situation because there are no emergency protocols or assessments done after a murder. In the case of Vernon Green's family there were no priority transfer forms in office then after it was submitted the request was lost. Finally, the transfer was denied. She asked the Commissioners to consider the psychological impact of dead bodies laying on the street and the frequent memorial services. Ms. Hewitt asked Alicia Rochelle to defer her time. She appealed to the Commission that the best efforts of the executive staff have failed to create a model housing authority. She claimed that the executive team has grown callused and insensitive. She felt there was a lack of results and accountability despite the top levels of management receiving the highest salary in the city and county of San Francisco. She asked for greater accountability and reminded the commission that their decisions impact the entire city. Ms. Hewitt stated, Jennifer Hudson is not the answer but she must be supported. She challenged the housing authority to take the lives of the people seriously and requested established protocols and assessment. She asked the Commission to remember the people they serve who are the most disenfranchised. She closed saying the Housing Authority is broken and at a heightened level of exposure.

Richard Marquez from the Mission Agenda and the Sixth Street Agenda came to support the struggle of SFHA residents. With the resignation of Commissioner Clark he felt it would be fitting to have a public housing resident on the board of commissioners. He reminded the board that violence destroys lives in public housing. He reminded the board of the SFHA's past civil right lawsuits, FBI probes, inefficiencies, incompetence and gross violations of civil rights. He said that this would be Mayor Newsom's first political fight. He said that there will be more people next time and expressed resolve for peace and justice.

Jabar Hickman stated that he was a homeless father and wanted help in getting housing. He said with all of the drugs and violence on the streets of San Francisco it was only a matter of time before he was a statistic. Mr. Hickman said that he had not gotten a response even though his application for housing was sent in some time ago. He stated despite being employed and attending school he was unable to find housing and asked the board to look into his specific situation. He thanked the board for its time.

Jen Yu from Mission Agenda and Sixth Street Agenda stated that as a new Section 8 voucher holder she has noticed problems with the administration of services. She had personally had problems getting a hold of the Egbert Street office to update her month-by-month income. She felt it was inefficient to physically walk to the office instead of talking to a receptionist over the phone. She asked the board to look into the quality of receptionist at the Egbert office. She stated that although low-income citizens need help, they should not feel indebted because of received vouchers.

Maria Rodriguez was not present to address the commission.

Nicole Lewis a former resident of Sunnydale, lived for a year in Redwood City, then moved to Daily City with a Section 8 voucher. While trying to transfer to a Section 8 apartment in San Francisco she was denied because of her outstanding balance of a thousand dollars. She claims this was the Housing Authority's error and that she did not owe any late rent. She stated that she was charged rent for Sunnydale the year she lived in Redwood City. Despite her efforts to contact staff about this mistake, she has not received a satisfactory response. She pleaded with the board to take action to correct this mistake that she and her daughter are paying for.

Commissioner Brown assured her that staff would look into it and that the Commission was available for her to express her concern. Mr. Fortner explained that according to the Brown act, the Commission cannot discuss or take any action on items that are not on the agenda. Mr. Fortner informed the crowd that people with Section 8, wait list or existing housing resident issues can speak to Larry Andrews, Nicole McKray and Anthony Ihejeto after public comments. Ms. Lewis asked if she did not get a response from them who else could she talk to. Mr. Fortner replied that she could speak with himself or Naja Boyd if all else fails.

Earl Hampton was not present to address the Commission

Gail Hampton received a letter, which caused her great distress. She is having problems with her manager Albert Hartdige, and did not know if the letter was a threat or warning. She stated that her youngest son was removed from the lease because of Mr. Hartdige. She claimed that she paid a lump sum of money to pay her rent before her interview. She had also spoken to Anthony Ihejeto who told her that her having her son on the lease was not a problem. Her main concern was the contradicting statements of what Mr. Hartdige and Mr. Ihejeto concerning her son. In her opinion, a single person runs the entire tenants association and that should not be. She claimed if her group selected a board, there would be fewer complaints. Commissioner Brown asked her to turn in the letter to Julissa Owens to copy for the Commissioners' review.

James Collins from the Mission Agenda and Sixth Street Agenda expressed his frustration with the public housing wait list procedure. He stated that he received a telephone number to get on the Section 8 wait list. He expressed disappointment and anger that a machine not a live person answered him. He did not believe that the Commissioners were doing anything to respond to the needs of the community. He asked the commission to represent the community or else his group would return and expose the corruption of large construction contracts. He expressed anger over the boarded up housing units and the lengthy wait list. He stated that long wait lists are inefficient and hurt the community. He pleaded with the Commissioners to remember the people they are serving.

Eduardo Gonzales is a volunteer with the Mission Agenda and the Sixth Street Agenda. He spoke though a translator in support of the people who are struggling with public housing. He stated that he was HIV positive and pays 850 a month in rent. Yet his SSI income is only 790 a month. He is on the wait list for Section 8 but he may not have a lot of time left. Mr. Gonzales said it was time for the people to be heard and thanked the Commission.

Sarah Benton expressed her frustration over being denied her Section 8 voucher. While she currently lives in the Tenderloins, she has been attacked there three times and is unwilling to bring her children to that neighborhood. She had spoken to Sean Coleman's secretary and Mr. Coleman began to process her paper work right away. She claims that an Anthony Ihejeto stopped her papers without valid reason. She said that this action and D. Blake asking her to produce police reports is forcing her to sleep on the floor as if she were homeless. She feels a grave injustice has been done to her because despite her compliance with SFHA directions she has not received a voucher.

Sybil Christopher acknowledged Commissioner Palega for being the only Commissioner on the board to visit the developments after the murders. She explained excruciating pain and fear to wake up to bullet shots. She explained how she prayed with her children to get them back to sleep after gunshots. She explained how she prayed, poured oil and held

hands over the sites of homicides. She said that living surrounded by the shootings and death is like being in the war. She said that the residents of public housing are innocent casualties that war. Ms. Christopher asked for a new protocol for safety out of respect not only for the dead but also for those who live on. She said her brother was killed in the Sunnydale development and that she personally knew 30-40 who died in public housing. She pleaded with the commission to consider the lives of the people in public housing. She said that every person in public housing deserves safe housing.

Eva Sheppard represented the seniors and said that they are in pain. She said seniors are scared to walk out of homes, scared to go the grocery store, and scared to go to doctor's appointments. She claimed her grandson's house has been shot at five times and until somebody dies they will be ignored. She asked the Commission for help.

Vivian Ellis a resident of public housing for 22 years, 27-year old son was murdered on a SFHA development. He had helped raise his two sisters, attended multiple schools and was shot in the back November seventh. She said that only sick people are smiling laughing and children are not smiling and laughing in San Francisco. She said she had written business plans and applied for jobs and had gotten nowhere with the SFHA. She read a poem written by her late son. She then described her struggles and asked why there was no system of support for the families that are left behind. Ms. Ellis thanked God for carrying her. She said that the Commissioners do not understand because they have not been there but she has.

Deanna Smith a mother of two children has been on the list since 1997. She said that she was homeless and living with friends and family and asked the Commission for help finding a home.

John Wilson was not present to address the Commission.

Pam Pami was not present to address the Commission.

Jane Faalafaina was not present to address the Commission.

Bianca Henry was not present to address the Commission.

Marisa Taylor an Alemany resident said she has many safety concerns for herself and her children. She asked for more security and quicker responses to maintenance calls. She said that she pays her rent on time yet bullet holes in her apartment have not been fixed. She thanked the Commissioners and asked for help.

Pauletta Budrow, on behalf of the residents of Bernal Dwellings and the Bernal Dwellings Resource Center thanked the Commissioners for their ongoing support. She asked if a representative from the Commission's office would attend the residents meeting on March the 3rd. She has personally extended the hours of the resource center

because the youth have nothing to do. She stated that so many people have sacrificed to keep the resource center going and that they need support from the board to continue their work.

Shirley Byrd a former Housing Authority Commissioner spoke on behalf of the residents. She asked the Commission to please look deeper into the issues. She challenged the current resident Commissioners to advocate louder than the residents. She said that resident Commissioners know the situation and need to provide leadership for the residents. She said even with all the deaths in the community there has not been one response from the Commissioners. She reminded the board that they cannot do everything alone but even putting out a leaflet or posting emergency numbers for residents would be a sign that they are aware of what is happening. She challenged the board to provide leadership and support all of the families in public housing.

Maria Rodriguez lives in Hunter's Point. She said that the police station that Willie Brown put in Hunter's point now stands empty and the community is paying the cost. She asked for more police officers. She said that when people are being killed the community needs policemen to take care of their family. She has 36 grand children and wants them to be safe when they visit her. She stated at least if there cannot be police in the station give it to people who need housing. She thanked the Commission.

Kevine Boggess from City College reminded the Commission of how serious the situation is in public housing. He expressed great concern over the lives that have been lost and pleaded with the Commissioners not to have deaf ears. He came to the Commission in hopes that could do something to help the families that are in jeopardy. He expressed his great anger that everyone in public housing lives in fear and nothing is done about it. He pleaded with the Commission to do something soon to change the conditions in Public Housing.

Vice President Brown stated that their comments did not fall on deaf ears, but he was responsible for keeping the order of the meeting. He went on to say that he could relate to the issues and empathized with the situation.

Commissioner Palega thanked the residents for coming out because sometimes everything isn't heard, but today it was. It would be difficult to deal with everyone's problems, but hopefully most would be addressed. Commissioner Palega further stated that he could relate to many of the problems just as Vice President Brown and thought the public represented themselves well.

Mr. Fortner added that he hoped this group expressed the same sentiment to the Police Commission, the Police Department, the Commissions of the Department of Public Health, the Commissions of the Department of Human Services and most of all HUD because it is a community problem. Mr. Fortner stated that their voices needed to be heard in Washington where the funding allocations originate.

Commissioner Woodruff stated that he joined his colleagues in listening and empathizing with the situations of the residents. Commissioner Woodruff stated that they would do the best possible job in ensuring that their issues are examined and something is done through the proper channels.

Commissioner Smith suggested to begin a petition to get the attention of policy makers in Washington that addresses these issues.

13. COMMISSIONER COMMENTS AND REPORTS

There were no Commissioner comments and reports.

14. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Palega moved to adjourn the meeting and Commissioner Woodruff seconded the motion. Vice President Brown adjourned the regularly scheduled meeting of February 26, 2004 at 5:59 p.m.

Gregg Fortner, Secretary/Executive Director

George Brown, Vice President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

Agenda

NOTICE

CANCELLATION OF MARCH 11, 2004 COMMISSION MEETING

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, SCHEDULED FOR MARCH 11, 2004, HAS BEEN CANCELLED.

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GREGG FORTNER, SECRETARY/ EXECUTIVE DIRECTOR

SAN FRANCISCO HOUSING AUTHORITY
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NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, MARCH 25, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
March 25, 2004

1. ROLL CALL

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George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

- February 26, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

Diversity Committee – Report of March 18, 2004 Meeting
Finance Committee – Nothing to Report
Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE THE ENCUMBRANCE OF PURCHASE ORDER NO. 29218 BY $100,000.00 IN ORDER TO PAY THE HOUSING AUTHORITY RISK RETENTION GROUP FOR GENERAL LIABILITY DEDUCTIBLES FOR FISCAL YEAR 2004

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MECHANICAL SOLUTIONS TO PROVIDE MECHANICAL ENGINEERING SERVICES ON AN AS-NEED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Honeywell, Inc. v. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

March 25, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice-President
Sululagi Palega, Sr., Commissioner
Betty Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE THE ENCUMBRANCE OF PURCHASE ORDER NO. 29218 BY $100,000.00 IN ORDER TO PAY THE HOUSING AUTHORITY RISK RETENTION GROUP FOR GENERAL LIABILITY DEDUCTIBLES FOR FISCAL YEAR 2004

OVERVIEW:

On November 13, 2003, through Resolution No. 5132, the Commission authorized the Executive Director to execute a purchase order in an amount not to exceed $150,000.00 in order to pay the deductible amount for each claim submitted to the Housing Authority Risk Retention Group ("HARRG") during the 2003-2004 policy period.

The San Francisco Housing Authority ("the Authority"), by Resolution No. 5127, dated October 23, 2003, accepted general liability insurance coverage through HARRG. Under the terms and conditions of the policy, each claim submitted for handling has a retention amount, or deductible of at most $25,000.00, which the Authority is obligated to pay.

PRESENT SITUATION:

The Authority initially budgeted $150,000.00 for this expense. However, the budget was revised to include an additional $100,000.00 for deductible payments. It was anticipated that the Authority would see a decrease in the number of claims presented and deductible amounts due to

a more efficient claims handling process and regularly scheduled management trainings. Additionally, the Authority is currently on track to experience a 30 percent decrease in the amount of claims submitted to HARRG since last policy year. However, the Authority must completely investigate and close all outstanding claims that were submitted prior to this current policy year. This effort requires an increase in purchase order number 29218, in order to ensure timely payment and compliance with the terms of the Authority's policy. The funds will be paid out of the 2003-2004 Low-Income Operating budget as well as the Section 8 Budget. Last policy year, the Authority paid $184,835.09 in deductibles.

Additionally, as with every year past, the deductible amounts are billed monthly by HARRG.

WHO BENEFITS:

The Authority pays the lesser of the amount of the claim or the deductible. Therefore, the Authority benefits because it does not have to pay a lump sum for any claim whose deductible amount exceeds $25,000.00. The Authority also benefits because deductible payments are issued on a monthly billing basis thereby preventing processing delays.

RECOMMENDATION:

It is recommended that this resolution be approved giving authorization to the Executive Director to increase this purchase order and pay general liability claims deductibles.

RESOLUTION NO.: 5146
DATE ADOPTED: 3/25/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE THE ENCUMBRANCE OF PURCHASE ORDER NO. 29218 BY $100,000.00 IN ORDER TO PAY THE HOUSING AUTHORITY RISK RETENTION GROUP FOR GENERAL LIABILITY DEDUCTIBLES FOR FISCAL YEAR 2004

WHEREAS, the Housing Authority of the City and County of San Francisco ("the Authority") by Resolution No. 3006, dated May 28, 1987, accepted membership into the Housing Authority Risk Retention Group ("HARRG") for the provisions of general liability insurance; and

WHEREAS, Resolution 5127, dated October 23, 2003, approved renewal of its general liability coverage with HARRG for the 2003-2004 policy period; and

WHEREAS, Resolution 5132, dated November 13, 2003, approved the issuance of purchase order 29218 for general liability deductibles not to exceed $150,000.00; and

WHEREAS, the Authority's policy with HARRG requires the agency to pay a deductible not to exceed $25,000.00 for each general liability claim that it submits for handling by HARRG during the 2003-2004 policy period; and

WHEREAS, the Authority revised the budget to include an additional $100,000.00 for deductible fees; and

WHEREAS, funding for the payment is available from the Authority's Low-Income Operating Budget and the Section 8 budget for the fiscal year 2003-2004;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to increase the encumbrance of purchase order 29218 in order to pay the Housing Authority Risk Retention Group for the general liability deductibles for fiscal year 2004

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN
General Counsel

3-19-04
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

3/19/04
DATE

B

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: March 19, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MECHANICAL SOLUTIONS TO PROVIDE MECHANICAL ENGINEERING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with the highest-ranked mechanical engineering firm on an as-needed, task assignment basis for all developments over the next two years. The contract will provide the San Francisco Housing Authority (Authority) with mechanical engineering services for about $2.8 million in capital improvements from the approximately $29 million Capital Fund programs funds for 2002 and 2003 for operational fiscal years 2004 and 2005.

OBJECTIVE

The objective of this contract is to provide the Authority with a competent professional, licensed mechanical engineering consultant firm to assess the need, design the solution, prepare construction documents for public bidding, and provide technical expertise to evaluate the contractor's construction and performance under the contract.

The task assignment services may include the following:

Existing Facilities:

1. Provide written reports of field and office testing and investigations, evaluations, and analysis.

2. Develop recommendations and cost estimates to provide corrective actions for any problems revealed in a particular portion of the work;

3. Prepare comprehensive construction documents for public bidding within an estimated construction cost;

4. Apply for and obtain building permits; or

5. Prepare comprehensive construction documents for construction work performed by the Authority's crafts people.

New Construction:

6. Provide Programming;

7. Prepare schematic designs, design developments, outline specifications, construction cost estimates;

8. Prepare comprehensive construction documents for public bidding within an estimated construction cost;

9. Apply for and obtain building permits; or

10. Prepare comprehensive construction documents for construction work performed by the Authority's crafts people.

General

11. Assist with clarifications during the bid process, evaluation of bids received process, contract award and pre-construction phases;

12. Assist the Authority's staff during the construction phase by providing construction administration support services such as clarifications, review of proposed contract changes, performing periodic site inspections, and conducting a final survey to determine if the work performed was in accordance with the project plans and specifications;

13. Attend meetings as required; and

14. Certain task assignments may require the Consultant to retain sub-consultants acceptable to the Authority, or to manage or coordinate with the Authority's other engineering consultants.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws. The completed procurement process has been reviewed and approved by HUD.

The Authority and all public agencies in California are required by State and Federal law to select engineers on the basis of qualifications in the form of a Request for Qualifications (RFQ). The highest-ranked firm is selected, subject to the negotiation of fair and reasonable compensation. If agreement cannot be reached, the Authority will negotiate with the next highest-ranked firm, and so on until a fair and reasonable price is obtained.

Solicitation Process

Pre-approval of this RFQ document and process was obtained from Authority management prior to advertisement. The Housing Development and Modernization Department (HD&M) developed this specific RFQ document based on the Authority's master documents prepared by the Procurement and Contracts Department, which also reviewed and approved the RFQ documents

Solicitation 03-620-RFQ-065 was issued on January 16, 2004. Announcement of the RFQ was made to the City Outreach Services and was put on the web sites for the Authority, the City, and the Small Business Administrations. The notice of the RFQ was published in the San Francisco Chronicle/Examiner, Daily Pacific Builder, Sing Tao Daily, and the San Francisco Bay View. Announcements were faxed and e-mailed directly to 51 prospective professionals firms, including 16 MBE/WBE firms from the San Francisco Human Rights Commission list, 31 firms from the Contractors Blue Book, and 4 firms that had responded to prior RFQs.

Eight Statements of Qualifications were received on the February 19, 2004 due date.

Evaluation Process

In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed the written Statements of Qualifications. At the same time, staff checked the references provided by each firm and provided the results to the Evaluation Panel members. Then, the Evaluation Panel invited the three highest-ranked firms for oral interviews. After the interviews, the Evaluation Panel prepared a final evaluation and scoring to select the firm with the highest-ranked qualifications.

Evaluation Criteria

Listed below are the evaluation criteria and their relative weight. Described in italics are the reasons for the different criteria. The evaluation criteria are based on the Authority's standards for Request for Qualifications questions and weighing contained in the Authority's Procurement Procedures Manual. The Director of Contract/Procurement Division approved the criteria and weighting given to each.

No.	Criteria & Reason	Weight
A	Criterion: Qualifications. *This allows evaluation of the firm's technical expertise as measured by the quantity and type of work performed by the firm and its years in business.*	20 points
B	Criterion: Staff Profiles. *This provides insight into the quality of the staff as measured by their professional degrees, licenses and experience with the type of work required by this contract. The local staff size and their credentials is a quantitative measure of their knowledge, and is indicative of their ability to respond quickly with qualified staff.*	20 points
C	Criterion: Understanding of the project. *This demonstrates the firm's familiarity with modernization and rehabilitation issues most frequently encountered with urban public housing in both family housing and mid-rise buildings. A firm with this experience is most capable of providing economical, efficient solutions to the Authority.*	40 points
D	Criterion: Approach to Project. *This item allows us to determine that the selected firm not only has office technical skills but also possesses sufficient field experience to effectively deal with field problems and contractor issues.*	15 points
E	Criterion: Affirmative Action. *This allows evaluation of the firm's commitment to MBE/WBE participation and analysis of its detailed plan for hiring and training Authority residents.*	5 points
	Total	100 points

The following are the combined scoring results of the written proposals and the interviews:

FIRM	WRITTEN	INTERVIEW	TOTAL	RANK
MECHANICAL SOLUTIONS	280	280	560	**1**
TMAD ENGINEERS	200	216	416	**2**
ALLANA-LIPPERT	201	193	394	**3**
MHC ENGINEERS	195	Not in the competitive range		
AJMANI & PAMIDI INC.	176	Not in the competitive range		
TOMMY SIU AND ASSOCIATES	176	Not in the competitive range		
NBA ENGINEERING, INC.	175	Not in the competitive range		
KEEN ENGINEERING	149	Not in the competitive range		

Evaluation Panel Conclusions
By their scoring and ranking, the Evaluation Panel determined that Mechanical Solutions was clearly the top-rated firm. The firm has significant prior experience with public agencies and institutions, and has provided architectural services to other housing authorities. Mechanical Solutions has successfully completed the previous contract with the Authority for as-needed mechanical engineering services in a satisfactory manner. The reference checks on the firm produced no negative comments, and the firm is not on the federal Excluded Parties List.

Mechanical Solutions is a local firm of eight people, including four professional mechanical engineers, two draftspersons, and two administrative/accounting staff. Their portfolio includes designs and retrofits on multifamily housing developments. They have provided mechanical engineering services to the Lawrence Berkeley National Lab, and the University of California Davis. Mechanical Solutions is well qualified to design practical and cost-effective solutions to planned Authority undertakings.

Evaluation Panel Members
Chairperson: Architect, Housing Development and Modernization Department, Senior Project Manager. Selected for expertise in public housing design and construction, procurement, and consultant management.

Member: Steamfitter Foreman, Central Services Division, Public Housing Operations Department. Selected for expertise in the Authority's mechanical systems and boiler systems, public housing maintenance, and modernization programs.

Member: Architect, Housing Development and Modernization Department, Project Manager. Selected for expertise in public housing design and construction.

PRESENT SITUATION
The current mechanical engineering consultant contract is expiring after successful completion of the assigned tasks. Ten separate task assignments were completed, including domestic water heating system modernization, boiler upgrades and replacement projects.

The planned capital work over the next two years includes almost $2 million for twelve ventilation system upgrades, primarily at senior developments, plus heating system and boiler replacements. The Authority also needs to have consultants under contract in order to be able to react quickly to any emergency situations that may arise.

ANTICIPATED OUTCOMES

If this contract is approved the anticipated outcomes are:

- The Authority will receive quality mechanical engineering services for the Capital Fund Program.
- The Authority will be able to comply with all Federal, State and City Codes and Regulations.
- The Authority will provide a safer and efficient service to residents.
- Residents will have opportunity for training and employment.

WHO BENEFITS

Residents benefit from having appropriate mechanical engineering services for all contracted and in-house construction work. Inadequately designed or constructed improvements can be detrimental to the health and well being of residents. Poorly designed capital improvements also run the risk of code violations. Residents also benefit by the Authority's ability to respond quickly to emergency situations.

BUDGET CONSIDERATIONS

Funding for this planned contract is immediately available within the FY2002 Capital Fund Program. The Authority and all public agencies in California are required by State and Federal law to select engineering consultants on the basis of qualifications in the form of a Request for Qualifications (RFQ). After the most-qualified firm is selected, the hourly billing rates and reimbursable expenses are negotiated. The Authority has negotiated hourly billing rates, provided in confidential Attachment A, which are consistent with the hourly rates the Authority has paid for mechanical engineers in the past.

The service term for this contract will be for the Authority's fiscal years 2004 and 2005. The contract time will be two years, or less if there is an increase in the volume of Capital Fund work and the consultant completes all assigned tasks.

RESIDENT EMPLOYMENT

Mechanical Solutions has agreed to hire public housing residents to meet or exceed the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000 by providing an administrative assistant position in their office as they have in past contracts with the Authority.

MBE/WBE STATUS

Mechanical Solutions is an economically disadvantaged, local Minority Business Enterprise certified by the San Francisco Human Rights Commission. It has a diverse workforce in its office and has provided an Affirmative Action Acknowledgement form that meets the requirements of Executive Order 11246.

RECOMMENDATION

Staff recommends approval of this Resolution.

(Prepared by Barbara Smith and Steve Haines, Housing Development and Modernization Department)

RESOLUTION NO. 5147
DATE ADOPTED: 3/25/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MECHANICAL SOLUTIONS TO PROVIDE MECHANICAL ENGINEERING SERVICES ON AN AS-NEEDED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

WHEREAS, the San Francisco Housing Authority (Authority) requires mechanical engineering consultants who can provide mechanical engineering services on an as-needed, task assignment basis; and

WHEREAS, the contracts with the current mechanical engineering consultants are almost completed; and

WHEREAS, the Authority has programmed capital work funded with the FY 2002 and FY 2003 Capital Fund Programs which will require mechanical engineering design and construction administration services; and

WHEREAS, Mechanical Solutions has been selected through the Request for Qualifications process as the most qualified firm for this work; and

WHEREAS, funding is available within the FY 2002 Capital Fund Program budget; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual, and the State of California and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a two-year contract with Mechanical Solutions for Mechanical Engineering Services on an as-needed, task assignment basis for all developments in a total amount not-to-exceed $200,000.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 3-19-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 3/19/04

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, March 25, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, March 25, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:10 p.m.

1. ROLL CALL

Roll call found the following members to be:

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PRESENT: *Julie Lee, President*
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Vice President Brown moved to approve the agenda. Commissioner Smith seconded the motion. The motion to approve the agenda was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Gans moved to approve the minutes. Vice President Brown seconded the motion. The motion to approve the minutes of the February 26, 2004 Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director requested permission to report on the General Communications and the Report of Secretary simultaneously. There were no objections. Mr. Fortner stated that an updated version of the Commission Request Log was included

in their folders. The first report was of the Lease-Up Activities. There were 329 vacant units, of which, 150 are in the modernization program. Within the last two weeks the SFHA received HUD's approval to begin using capital funds in the vacancy reduction program. The 150 units in the modernization program require more than $6,000 in repairs to be ready for occupancy. The last three items were flyers for the upcoming community meetings to discuss the agency's plan. The meetings would allow for the community's input on future redevelopment possibilities.

In the Report of the Secretary, Mr. Fortner announced that the President of the Public Housing Tenants Association, Tamara Brown, was present to report to the Commission. Mr. Fortner commented that this was the first time in his three years of service that there has been a President of the PHTA.

The next item concerned the Agency Plan, submitted to HUD in July of 2003. Last week, the plan was approved. Mr. Fortner reminded the Commission of the preferences included in the plan. This consisted of homeless people listed in service programs receiving more weighted preferences. That action could not be enacted until HUD approved the plan, which was complicated by the Department of Justice action against the SFHA.

Mr. Fortner then reported on the SFHA's collaboration with the Los Angeles Police Department and the San Francisco Police Department to determine an effective model for having police dedicated to a specific community. Mr. Fortner explained that the efforts are in its beginning stages and the communities must be interviewed to determine their views on security and solving the problems of the neighborhoods.

In the week prior, Mr. Fortner stated that he was in Washington D.C. for the National Association of Housing Redevelopment Officials Legislative Conference. Mr. Fortner stated that he reported to Congresswoman Peolosi and Feinstein's office how the President's budget would affect San Francisco public housing programs. The capital fund has a proposed decrease, the operating subsidy has leveled off, and a dangerous freezing of Section 8 funds has been proposed. If the Section 8 funding were frozen, 250,000 vouchers would be lost nationwide, 30,000 within California, and 800 in San Francisco. The proposal is similar to last year's, but this time the attempt is to block grant Section 8 to housing authorities, even though last year the claim was made that housing authorities were too incompetent to handle it. Mr. Fortner stated that the collaboration includes southern California representatives as well so that the whole state is taken into consideration with the President's budget.

Lastly, Mr. Fortner announced the Basketball Tournament taking place in Hunter's View on Saturday, March 27, 2004, 9:00am – 2:00pm. The three on three tournament would have teams consisting of a city worker, police officer, and two youth from the community. Mayor Newsome and Supervisor Chris Daly would be on one of the teams. Not only would the event be a basketball tournament, in addition, 50 community organizations had agreed to pass out information to the community about job development opportunities,

apprenticeships, social services, public health, and the Fire Department would be barbequing. Mr. Fortner stated that roads have been paved and basketball courts updated in preparation for this event. He added that it was good to see this underserved community receiving so much attention most recently.

Vice President Brown asked how long it takes to prepare the units for occupancy. Mr. Fortner answered that the make-ready units take less than two weeks to prepare. The units categorized as MOD, require more than $6,000 in repairs and substantially longer. Mr. Fortner said that in the past few weeks, the SFHA has begun a pre-leasing program that allows potential tenants to find a vacant unit they are willing to live in, provide a deposit, and the SFHA prepares the unit within 30 days. Mr. Fortner added that the SFHA has an agreement with City Hall that the 300 vacant units would be rented within the next six months.

Vice President Brown then asked if the community meetings were being hosted by the SFHA and how the flyers were distributed. Mr. Fortner answered that the SFHA is hosting the meetings and the flyers are passed out door-to-door as well as posted in common areas.

6. COMMITTEE REPORTS

Diversity Committee

Commissioner Smith reported that on March 18, 2004 the Diversity Committee met. The first item on the agenda was a lease-up report for the North Beach development. Commissioner Smith stated that she and Commissioners Gans and Woodruff had recently went on a tour of North Beach and found it to be an exceptional development. Commissioner Smith then explained the phases of North Beach's development. The opening is set for August or September and 129 relocated tenants would be invited back.

Next, Commissioner Smith stated that Jim Williams gave a report on security. His report showed that crime had decreased between 2003 and 2004. In consideration of the recent crimes, Commissioner Smith asked if Jim Williams would give a quarterly report on the crime statistics to the Commission.

Commissioner Smith said that the Diversity Committee was also updated on the eviction and vacancy statistics. Another item discussed was finding a way to develop a senior tenant association at the family sites. The Diversity Committee also wanted to organize a senior bus trip. The destination has yet to be determined. The idea of a welcoming committee was also brought up. Welcoming committees of tenant associations would show new tenants around and welcome them into the community.

Finance Committee

President Lee appointed Commissioner Gans to the Finance Committee. Commissioner Palega stated that the next meeting would be on March 30, 2004 at 4:00 p.m.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that a closed session would be held to discuss the pending settlement negotiations of the Honeywell vs. San Francisco Housing Authority case.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President of the City Wide Council – Senior/Disabled, William Vitalie welcomed any new Senior/Disabled tenant associations to participate with the City Wide Council. Mr. Vitalie also mentioned that Potrero Hill has had a Senior and Disabled tenants association for some time and the members are very active in the City Wide Council.

Public Housing Tenants Association (PHTA)

President of the Public Housing Tenants Association, Kimberly Brown reported that the officers were sworn in that day. The first meeting had been scheduled to review the bylaws. Ms. Brown stated that the PHTA has strong leaders and all of the board members are very active in their communities and added that they look forward to working together.

8. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

9. UNFINISHED BUSINESS – None

10. NEW BUSINESS

Resolution No. 5146

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO INCREASE THE ENCUMBRANCE OF PURCHASE ORDER NO. 29218 BY $100,000.00 IN ORDER TO PAY THE HOUSING AUTHORITY RISK RETENTION GROUP FOR GENERAL LIABILITY DEDUCTIBLES FOR FISCAL YEAR 2004

Dominica Henderson, Executive Assistant in the Office of General Counsel presented the resolution. Ms Henderson stated that the approval of this resolution would enable the SFHA to continue to pay the general liability deductible through the end of the 2003-2004 fiscal year. In November of 2003, the Commission authorized the Executive Director to issue a purchase order for $150,000 to pay the general liability deductibles. This was a significant decrease in the amount paid for 2002-2003, but the Authority hoped that a change in the claims process and activity in settling cases, would minimize the claims and in turn the amount of deductibles paid. Ms. Henderson reported that the claims had been minimized, but because the policy year is a year behind the fiscal year insurance only allows for payment of claims from 2002-2003. So far, $134,000 has been paid in deductibles and the additional $100,000 would cover the remaining six months of the fiscal year.

Vice President Brown asked if staff was aware of the estimated costs when the initial resolution was presented in November. Ms. Henderson answered that unanticipated claims turned into litigation, which resulted in higher deductibles. Ms. Henderson also explained the new process, which is more proactive in addressing the claims.

Commissioner Palega asked if Ms. Henderson had an estimate of which claims would go to litigation. Mr. Fortner answered that on cases covered by insurance, all that is paid is the deductible. All claims that resulted in litigation were initiated in 2000 or earlier. Mr. Fortner stated that the trends in claims would be reported at the next Commission meeting. Ms. Henderson stated, that to date, only 14 claims had been received that would result in a decreased premium. Commissioner Palega asked when would the SFHA see those savings. Ms. Henderson answered that the insurance representatives would be back for the August 12, 2004 Commission meeting to explain everything, but the decreased premium would be seen in the next fiscal year.

Commissioner Woodruff asked if Ms. Henderson thought $250,000 would cover the anticipated costs. Ms. Henderson answered yes.

Vice President Brown asked if the $150,000 approved in November of 2003 covered 2002-2003. Ms. Henderson explained that on September 30, 2003, the SFHA paid about $185,000 in deductible fees. The request in November was for the 2003-2004 fiscal year, but the claims carry over each year until they are settled. Therefore, the SFHA is still paying for claims received up to two-years ago. Mr. Fortner explained that staff is coming before the Commission in a proactive attempt to increase the encumbrance before expenses are incurred.

Commissioner Smith asked how much the monthly payments were. Ms. Henderson answered that the average monthly deductible is between $20,000-$25,000.

Commissioner Brown moved to approve Resolution No. 5146. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5146 was unanimously passed.

Resolution No. 5147

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT WITH MECHANICAL SOLUTIONS TO PROVIDE MECHANICAL ENGINEERING SERVICES ON AN AS-NEED, TASK ASSIGNMENT BASIS FOR ALL DEVELOPMENTS IN A TOTAL AMOUNT NOT-TO-EXCEED $200,000

Steve Haines, Construction Service Manager for the Modernization and Development office presented the resolution. Mr. Haines stated that obtaining a professional, competent, licensed mechanical engineer would help assess the needs, design solutions, develop construction documents for the public bidding and provide technical expertise to evaluate contractor performance in installations. Mr. Haines reviewed the task assignments to be performed by the mechanical engineer. The standard RFQ procurement process was adhered to. The solicitation was issued on January 16. 2004. Fifty-one firms were sent notification of this opportunity. Eight statements of qualifications were received by the due date and judged according to the criteria disclosed in the report. Mr. Haines stated that Mechanical Engineering was the highest ranked firm and explained what positions their staff of eight consists of. Mr. Haines explained that the current contract is expiring, under which, ten task assignments had been performed. Mr. Haines stated that future upgrades over the next two years, are planned for twelve ventilation systems, primarily in the senior buildings. Heating system upgrades are also planned. It is also necessary to have an experienced consultant available to react quickly, should an emergency arise. Mechanical Engineering would hire a resident to meet or exceed the 25% hiring requirement of the Commission.

Commissioner Woodruff asked how long the last contract was for. Mr. Haines answered up to two-years. Commissioner Palega asked how much the last contract was for. Mr. Haines answered $150,000. Commissioner Palega asked which developments would

receive the upgrades. Mr. Haines listed approximately 20 different developments. In discussing the billing rates, Commissioner Palega stated that he would have liked to see the comparison of Mechanical Engineer's rates to the standard rates of the industry. Mr. Haines apologized for not making those numbers available, but promised to do so in the future. Commissioner Palega asked if the resident employee would be part-time for a year. Mr. Haines answered that 25% of the total work force hours would be dedicated to a residential hire. This would equate to about 20 weeks of employment. Commissioner Palega asked how many hours the current resident works. Mr. Gordon Kong of Mechanical Engineering answered, one resident works eight hours a day, three days a week, for the last four months. Mr. Kong added that depending on how much the employee is willing to learn, this could develop into a permanent position. Commissioner Palega asked if the current resident is made full time would another resident be hired. Mr. Kong answered if the Commission approves more money, another resident would be hired. Commissioner Palega stated that he hoped that good resident employees were rewarded with permanent positions and the duration of their employment would be longer than just the Housing Authority contract. Commissioner Palega stated that he hoped the contractor would not depend solely on Housing Authority funds to employ a resident if they are doing a good job because the Commissioners want to see the residents progress.

President Lee encouraged Mr. Kong to help the resident employees go back to school to become engineers. Mr. Kong stated that this is what they are doing with the current resident employee. In answer to President Lee's next question Mr. Kong explained what engineering has to do with ventilation systems. Mr. Haines explained that his firm would prepare the construction documents used to obtain the permits from the city as well as those used in the advertisements for the contracts. President Lee asked what additional work would they perform for the SFHA. Mr. Kong answered plumbing, and energy analysis. President Lee asked how many years their firm has been working with the SFHA. Mr. Kong answered four years.

Commissioner Palega asked how much of an increase in work was expected for the duration of the contract. Mr. Haines answered $2 million for the expiring contract and at least $2.8 million for the current contract.

Commissioner Woodruff asked what type of work the resident hire was performing. Mr. Kong answered administrative support.

Commissioner Woodruff moved to approve Resolution No. 5147. Vice President Brown seconded the motion. The motion to approve Resolution No. 5147 was unanimously approved.

11. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Abdul Kadir complained about the contract between the SFHA and TODCO. Mr. Kadir read the letter presented to the Commissioners and Mr. Fortner on behalf of the

Clementina Towers Tenants Association. The letter detailed the change in construction plans of a walkway. This walkway was supposed to be eight feet wide and had been reduced to four feet at certain points. Mr. Kadir stated that the plan was changed and Juan Monsanto did not inform the residents. Mr. Kadir asked that the walkway be made eight feet wide from beginning to end.

Gail Hampton complained about the infighting of the tenants association at Hunter's View. Ms. Hampton asked when she was going to get some help concerning her rent. Ms. Hampton pleaded for some help. Mr. Fortner referred her to the staff or legal aid. Commissioner Palega asked for a report on Ms. Hampton's matter.

Christine Neal complained about a maintenance issue. She stated that it has been two months since someone came to fix her roof, but he never completed the work. Ms. Neal also explained that her sink was broken and eleven people showed up, but didn't do any work.

Sybil Christopher spoke about the violence taking place in public housing developments. She reported that three people had died since she had been to the last Commission meeting. Just that morning, a person was murdered at the bus stop, but everyone who witnessed it was a victim because of the trauma induced. Ms. Christopher asked that a plan be developed to collaborate against gun violence.

Elisha Rochell spoke about the violence in the community. She asked where the response is and who is accountable to those suffering on the grounds of the Housing Authority. She pleaded for support for the community according to the expertise of those in power.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Palega commented on the recent violence in the developments and assured them that their requests were not falling on deaf ears. Commissioner Palega stated that it is imperative that we come together to make the neighborhoods safer because the killings are senseless. Commissioner Palega summarized several recent incidents that have happened.

President Lee encouraged the community members to get together and go to the Police Commission.

Commissioner Palega asked to call a Public Safety meeting with the Police Commission.

14. CLOSED SESSION

A Closed session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Honeywell, Inc. v. SFHA; case name unspecified to avoid

jeopardizing existing settlement negotiations). The Commission went into closed session at 5:41 p.m.

15. RECONVENING OF COMMISSION MEETING

The Commission reconvened at 6:37 p.m. Ms. Martin stated that the Commissioners were briefed on the revised terms of the settlement agreement of the Honeywell vs. SFHA case. The Commission voted unanimously to approve the settlement as to Honeywell, with prejudice and to the United States, without prejudice. The entire Commission was present. Commissioner Palega was excused prior to the end of the closed session.

16. ADJOURNMENT

There being no further business to come before the Commission, Vice President Brown moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Lee adjourned the regularly scheduled meeting of March 25, 2004 at 6:38 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, APRIL 8, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
April 8, 2004

DOCUMENTS DEPT.
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SAN FRANCISCO
PUBLIC LIBRARY

1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - March 25, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SIGNS AMERICA TO FURNISH THE DESIGN, FABRICATION AND INSTALLATION OF EVACUATION AND STAIRWELL SIGNS AT CAL 1-15, PING YUEN; CAL 1-18(1), JFK TOWERS; CAL 1-18(5), ROSA PARKS; CAL 1-18(6), PING YUEN NORTH; CAL 1-18(10), WOODSIDE GARDENS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-27, 350 ELLIS; CAL 1-28, 666 ELLIS; CAL 1-30(A), 462 DUBOCE; CAL 1-31, 25 SANCHEZ; CAL 1-32, 1760 BUSH; CAL 1-35, 2698 CALIFORNIA; CAL 1-39A, 939 EDDY; CAL 1-41, 430 TURK, IN AN AMOUNT NOT-TO-EXCEED $68,387.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

DATE: APRIL 8, 2004

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SIGNS AMERICA TO FURNISH THE DESIGN, FABRICATION AND INSTALLATION OF EVACUATION AND STAIRWELL SIGNS AT CAL 1-15, PING YUEN; CAL 1-18(1), JFK TOWERS; CAL 1-18(5), ROSA PARKS; CAL 1-18(6), PING YUEN NORTH; CAL 1-18(10), WOODSIDE GARDENS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-27, 350 ELLIS; CAL 1-28, 666 ELLIS; CAL 1-30(A), 462 DUBOCE; CAL 1-31, 25 SANCHEZ; CAL 1-32, 1760 BUSH; CAL 1-35, 2698 CALIFORNIA; CAL 1-39A, 939 EDDY; CAL 1-41, 430 TURK, IN AN AMOUNT NOT-TO-EXCEED $68,387.00

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with the highest-ranked signage company to furnish the design, fabrication and installation of evacuation and stairwell fire identification signs at Ping Yuen, JFK Towers, Rosa Parks, Ping Yuen North, Woodside Gardens, 990 Pacific Avenue, 350 Ellis, 666 Ellis, 462 Duboce, 25 Sanchez, 1760 Bush, 2698 California, 939 Eddy, 430 Turk Street Developments.

San Francisco Fire Code requires property owners of mid-rise and high-rise buildings to install fire evacuation and stairwell identification signs to identify the fire escape routes for emergency evacuation of the building. The planned work includes design, fabrication and installation of 425 evacuation signs and 326 stairwell identification signs at elevator lobbies and fire exit stairs at fourteen developments in accordance with Fire Department, ADA/504 and other code requirements. This contract is the mechanism by which the Authority engages the services of a licensed signage company to complete the evacuation and stairwell identification sign design, fabrication and installation work.

OBJECTIVE

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the design, fabrication and installation of evacuation signs and stairwell fire identification signs for Ping Yuen, JFK Towers, Rosa Parks, Ping Yuen North, Woodside Gardens, 990 Pacific Avenue, 350 Ellis, 666 Ellis, 462 Duboce, 25 Sanchez, 1760 Bush, 2698 California, 939 Eddy, and 430 Turk Street Developments to protect the health and safety of residents. The scope of work can be summarized as follows:

1. Inspect all properties and verify all proposed sign locations for conformity with the requirements of the San Francisco Fire Department, ADA and Title 24 accessibility Codes.
2. Furnish the design of signs in conforming to the Title 19 California Code of Regulations-Section 3.09, San Francisco Fire Department's requirements, ADA and Title 24 accessibility code requirements.
3. Submit sign samples and required documents to the San Francisco Fire Marshall for approval.
4. Submit the Fire Department approved sign samples and locations to San Francisco Housing Authority for review and approval.
5. Furnish and install all approved signs at the approved locations.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

Solicitation Process

Pre-approval of the Request for Proposals (RFP) document and process was obtained from Authority management prior to advertisement. The RFP document was prepared by the Housing Development & Modernization Department (HD&M) based on the Authority's master procurement documents prepared by the Procurement and Contracts Department (P&C). The RFP was issued by HD&M following review and approval of the document by the P&C Department.

Solicitation 03-620-RFP-060 was issued on February 9, 2004. Announcement of the RFP was made to the City Outreach Services and was put on the web sites for the Authority, the City, and the Small Business Administration. The notice of the RFP was published in the Daily Pacific Builder, the World Journal, and the San Francisco Bay View. Announcement of the RFP were sent to twenty-six (26) individual signage companies specializing in evacuation and stairwell fire identification signs. Announcements and RFP packets were sent directly to Labor Unions and Builders Exchanges.

Three Proposals were received on the March 2, 2004 due date:

- Signs America

- Garnett Sign Studio
- Acro Graphics Sign Service

Evaluation Process

In conformance with the Authority's Procurement Procedures Manual, the Evaluation Panel individually reviewed and ranked the written Proposals with a total possible score of 100 points by each panelist. All three responding signage companies were invited to separate telephone interviews with the Evaluation Panel on March 10, 2004, where they were given 10 minutes to make a presentation of their experience and past performance. The Evaluation Panel took the next 20 minutes to ask pre-determined questions of each company. Each company was then given five minutes to summarize their Proposal.

After the interviews, the Evaluation Panel prepared a final evaluation and scoring with up to an additional 100 points by each panelist based on the interviews to identify the signage companies with the overall highest-ranked qualifications.

All companies were then asked to carefully review their Proposal and to provide a best and final offer for fees and costs. All three companies submitted their best and final offer on the March 17, 2004 due date. One company did reduce their price, but the reduced price was not low enough to make them the lowest offerer. The Evaluation Panel then made a final complete analysis of the Proposals as modified by the best and final offer and identified the company that provided the best value to the Authority.

Evaluation Criteria

Listed below are the evaluation criteria and their relative weight for the written and interview components. Described in italics are the reasons for the different criteria. The evaluation criteria are based on the Authority's standards for Request for Proposals questions and weighing as contained in the Authority's Procurement Procedures Manual. The Director of the Contract/Procurement Division approved the criteria and weighting given to each.

No.	Criteria & Reason	Weight
A	Criterion: Firm's Experience *This allows evaluation of the firm's technical expertise as measured by the firm's past performance and ability to provide professional design, fabrication and installation of evacuation and stairwell fire identification signs in conforming to the Fire Department's requirements, ADA and Title 24 accessibility code requirements.*	25 points
B	Criterion: Firm's Past Performance *This allows evaluation of the firm's capacity to provide the desired services, based on the firm's past experience with signage design, fabrication and installation for mid-rise and high-rise buildings; with Fire Department permit application and past experience with government's contracts and procedures.*	25 points
C	Criterion: MBE/WBE Participation	25 points

No.	Criteria & Reason	Weight
	This allows evaluation of the firm's commitment to MBE/WBE Participation Program and methods by which the Company would approach compliance for achieving the goal of MBE/WBE participation.	
D	Criterion: Affirmative Action.	25 points
	This allows evaluation of the firm's commitment to San Francisco Housing's Affirmative Action Program and methods by which the Company would approach compliance for hiring Authority residents.	
	Total	100 points

Scoring, Ranking, Best and Final Offers:

Firm	Written	Interview	Total	Cost	Final Rank
♦ Signs America	192.0	192.0	384.0	Lowest	1
♦ Garnett Sign Studio	191.0	189.0	380.0	2nd Highest	2
♦ Acro Graphics Sign	180.0	180.0	360.0	Highest	3

Evaluation Panel Conclusions
By their scoring and ranking, the Evaluation Panel determined that Signs America provides the best experience and qualifications at the least cost to the Authority. Over the past five years Signs America has furnished over $7.5 million of evacuation and stairwell signs for San Francisco and Bay Area building owners, including the City and County, and the Redevelopment Agency.

The Evaluation Panel also noted that the Signs America staff is highly qualified and experienced. The assigned staff has substantial signage design and fabrication experience. Moreover, the company has an on-going working relationship with Fire Department for permit application, which results in an ability to obtain required Fire Department's permits for the Authority more efficiently, thus reducing the contract time.

Evaluation Panel Members:
Chairperson: Architect, Housing Development and Modernization Department, Senior Project Manager. Selected for expertise in public housing design and construction, procurement, and code familiarity.

Member: Architectural Intern, Housing Development and Modernization Department, Project Manager. Selected as the Project Manager for Contract Administration Phase.

PRESENT SITUATION
Evacuation and stairwell fire identification signs were not required by Code when the buildings were constructed but are now required in new construction. The Authority desires to enhance the

life safety features in all its buildings and is undertaking these improvements in this final of two phases of work.

ANTICIPATED OUTCOMES
Installation of evacuation signs at elevator lobbies and stairwell fire identification signs in fourteen developments in accordance with San Francisco Fire and ADA Code requirements.

WHO BENEFITS
Public Housing residents will benefit from improved health, safety, and in general living conditions. The project will also provide employment for Public Housing residents under the resident hiring requirements. By hiring residents, Signs America is helping to create a qualified resident for future work on similar Authority projects.

BUDGET CONSIDERATIONS
Funds are available through the Year 2002 Capital Fund Program.

RESIDENT EMPLOYMENT
Signs America has agreed to hire public housing residents in excess of the 25% requirement established by Commission Resolution No. 4967 for non-construction contracts that exceed $50,000. Signs America estimates that the project will take up to 589 man-hours to complete. Resident employees will perform 38% or a minimum of 224 man-hours of work. Signs America will employ fourteen residents and will provide appropriate training and development of technical skills in their San Francisco offices to meet this requirement.

MBE/WBE STATUS
Signs America is a WBE firm.

RECOMMENDATION
Staff recommends approval of this Resolution.

(Prepared by Barbara Smith, Robert Dahlstrom, Francis Eng, Housing Development and Modernization Department)

SUMMARY OF BEST AND FINAL OFFERS FOR EVACUATION AND STAIRWELL FIRE IDENTIFICATION SIGNS

SIGNS AMERICA	**$68,387**	**LOWEST COST**
GARNETT SIGN STUDIO	**$69,715**	
ACRO GRAPHICS SIGN	**$84,000**	**HIGHEST COST**

RESOLUTION NO. 5148
DATE ADOPTED: 4/08/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SIGNS AMERICA TO FURNISH THE DESIGN, FABRICATION AND INSTALLATION OF EVACUATION AND STAIRWELL SIGNS AT CAL 1-15, PING YUEN; CAL 1-18(1), JFK TOWERS; CAL 1-18(5), ROSA PARKS; CAL 1-18(6), PING YUEN NORTH; CAL 1-18(10), WOODSIDE GARDENS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-27, 350 ELLIS; CAL 1-28, 666 ELLIS; CAL 1-30(A), 462 DUBOCE; CAL 1-31, 25 SANCHEZ; CAL 1-32, 1760 BUSH; CAL 1-35, 2698 CALIFORNIA; CAL 1-39A, 939 EDDY; CAL 1-41, 430 TURK, IN AN AMOUNT NOT-TO-EXCEED $68,387.00

WHEREAS, the San Francisco Housing Authority publicly advertised Solicitation No. 03-620-RFP-060 for the design, fabrication and installation of 425 evacuation signs and 326 stairwell fire identification signs at fourteen Developments; and

WHEREAS, Signs America submitted the lowest responsive and responsible proposal of $68,387 to furnish the design, fabrication and installation of the signs; and

WHEREAS, Signs America has been selected through the Request for Proposals process as the lowest-cost and most qualified firm for this work; and

WHEREAS, these services are necessary to protect the health and welfare of residents; and

WHEREAS, funding is available through the HUD 2002 Capital Fund Program; and

WHEREAS, the procurement process for this contract meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1 "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws; and

WHEREAS, all additional relevant documents submitted by Signs America have been reviewed and found to be in order; and

WHEREAS, Signs America will exceed the Resident Hiring requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a contract with Signs America to furnish the design, fabrication and installation of evacuation signs and stairwell identification signs at CAL 1-15, Ping Yuen; CAL 1-18(1), JFK Towers; CAL 1-18(5), Rosa Parks; CAL 1-18(6), Ping Yuen North; CAL 1-18(10), Woodside Gardens; CAL 1-19(1), 990 Pacific Avenue, CAL 1-27, 350 Ellis; CAL 1-28, 666 Ellis; CAL 1-30(A), 462 Duboce; CAL 1-31, 25 Sanchez; CAL 1-32, 1760 Bush; CAL 1-35, 2698 California; CAL 1-39A, 939 Eddy; CAL 1-41, 430 Turk Street for an amount Not-To-Exceed $68,387.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date: 3-31-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 4/5/04

B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: April 8, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00**

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with P & A Construction Co. for ADA/504 Compliant Site Improvements for Future Playground Installation Work at CAL 1-17A, Hunters Point A West, a family development.

Hunters Point A West was built in 1953, consists of forty-eight two-and three-story building, and has 316 family dwelling units.

The San Francisco Conservation Corps (SFCC) is the recipient of a Community Development Block Grant (CDBG) to provide and install play equipment at Authority playgrounds. As a condition of the award, the Authority must supply the funding for the site improvement work necessary to install the play equipment. This contract will allow P & A Construction Co. to construct the necessary site improvements.

The Authority issued Solicitation No. 03-620-IFB-055 on February 23, 2004, following review and approval of the solicitation by the Finance and Procurement Departments.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications, based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Civil Engineering Services Consultant, Lee, Inc. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

Past Bidders List, Contractors Blue Book & Yellow Pages: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to forty-six (46) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

HRC: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to six (6) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

Labor Unions: The Authority mailed its Invitation for Bids Documents, Plans & Specifications, to the San Francisco Buildings Trade Council.

Newspapers: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- World Journal, (Asian American Community)

Additional Newspapers: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

Public Agency Websites: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

Builders Exchanges: The Authority sent its Invitation for Bid Documents, Plans & Specifications, to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Construction Data Plan Room,

Seven (7) potential bidders requested the Invitation for Bid Documents, Plans & Specifications, that were issued by HD&M. The on-site bid walk was conducted by HD&M on March 9, 2004. In attendance were four (4) contractors along with the Consultant and Authority staff members.

BIDDER SELECTION PROCESS

The closing date for the solicitation was March 15, 2004, and the Authority received bids from two (2) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval and for approval to prepare this Resolution. The contractors' bids are as follows:

BID PROPOSALS:

Bidder	Bid Proposal	25% Resident Hiring	Contractor MBE/ WBE	Sub Contractors	MBE/WBE Sub Contractor % Of Total Job	Total MBE/ WBE
P&A Construction Co.	$99,950	Yes	Yes	Zero	NA	100%
Lewis M. Merlo Inc.	$132,000	Yes	No	One	41.1%	41.1%

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive, and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is P & A Construction Co. They are pursuing one or two positions for resident hiring.

According to the reference check on past projects performed by P & A Construction Co., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that P & A Construction Co. is not debarred from Federal Procurement and Non-Procurement work.

We contacted the Northern California Apprenticeship Training Committee regarding P&A Construction Co. and were informed that the Contractor has been requesting the dispatch of apprentices (as required by Title 8, CCR 230.1(a)), and making their training fund contributions (as required by Title 8, CCR 230.2(c)) to the Committee in a timely manner.

OBJECTIVES

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the site improvements for future playground. Work under this contract will generally include, but not be limited to, the following:

a) Demolition and relocation of an existing walkway.
b) Excavation for the retaining walls.
c) Backfill with base rock and native soil.
d) New retaining walls.
e) New asphalt paving.
f) New site drainage system, manhole and pipe connections to the existing sewer system.
g) New fences.

PRESENT SITUATION

Hunters Point A West is a San Francisco Housing Authority family development comprised of 48 two-and three – level residential buildings built in 1953. The future playground to be installed by SFCC needs site preparation work in order to install the equipment.

ANTICIPATED OUTCOMES

The site will be prepared for the future playground to be installed by SFCC. An ADA/504 compliant accessible path of travel from the street to the new playground area will be constructed. The new playground area will also be ADA/504 compliant. P & A Construction Co. will provide a two-year guarantee for materials and workmanship in compliance with Authority standards.

WHO BENEFITS

Public housing residents, especially children, parents, and the disabled, will benefit from the new playground to be installed by SFCC upon completion of the site improvements. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, P & A Construction Co. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

BUDGET CONSIDERATION

The Site Improvements for Future Playground is funded in the Year 2002 Capital Fund Program budgets.

RESIDENT HIRING

P & A Construction Co. is committed to exceeding the 25 percent resident hiring goal on this job.

The contractor estimates that it will take about 200 hours to complete the project, of which a minimum 50 hours will be resident hire employment. One or two residents will be hired, and for the 200 hours duration of the project, there will be 60 hours of resident hire, exceeding the 25% requirement.

MBE/WBE PARTICIPATION

P & A Construction Co. is a small firm of two partners, and they do most of the work themselves. P & A Construction Co. is certified as 100% MBE by the San Francisco Human Rights Commission.

RECOMMENDATION

P & A Construction Co. has submitted the lowest, responsive, and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the 2002 Capital Fund Programs. Because the site needs preparation for play equipment to be provided and installed by SFCC, the site preparation work must be done expeditiously in order not to jeopardize the CDBG funding for the play equipment, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with P & A Construction Co.

(Prepared by: Jasmine Kuo, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED _____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

WHEREAS, The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-055 for ADA/504 Compliant Site Improvements for Future Playground Equipment Work at CAL 1-17A, Hunters Point A West, and

WHEREAS, P & A Construction Co. submitted the lowest responsive and responsible bid of $99,950.00 to provide for the Site Improvements for Future Playground Equipment at CAL 1-17A, Hunters Point A West; and

WHEREAS, the site needs site preparation work in order to install the future playground equipment and to comply with accessibility requirements; and

WHEREAS, funding is available through the HUD 2002 Capital Fund Program; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

WHEREAS, P & A Construction is committed to meeting the Resident Hiring requirements; and

WHEREAS, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a contract with P & A Construction Co. to provide Site Improvements for Future Playground Installation Work at CAL 1-17A, Hunters Point A West, in an amount Not-To-Exceed $99,950.00.

2. This Resolution shall take effect immediately.

APPROVED AT TO FORM AND LEGALITY: **REVIEWED BY:**

DONNA MARTIN, General Counsel

Date: 3-31-04

GREGG FORTNER, Executive Director

Date: 4/1/04

C

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: April 8, 2004

TO: San Francisco Housing Authority Commissioners

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX & ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION**

OVERVIEW

This Resolution authorizes the Executive Director to enter into an agreement with CBIZ Accounting, Tax & Advisory of Orange County, Inc., a consulting firm based in Irvine, California, to reconstruct and document the fixed asset accounts of the San Francisco Housing Authority (SFHA) in order to address the audit qualification of insufficient records and inadequate control of our land, structures and equipment accounts.

The Authority was directed by the Commission to resolve this issue before September 30, 2004.

For a number of years, the Independent Public Accountant (IPA) of the San Francisco Authority had been reporting an audit finding based on Authority's lack of records and control of its fixed asset accounts. The historical costs of the Authority's public housing developments and properties which include land acquisition costs and site improvements, dwelling and non-dwelling structures and nonexpendable equipment cannot be traced to auditable records and supporting documents. The Authority has not established sufficient records that will support the recorded balances in its land, structures and equipment accounts to the satisfaction of the auditors. Due to the nature of the account, it has become extremely difficult for the Authority to locate the supporting documents to establish the historical costs of the fixed asset accounts.

This situation is common to most public housing authorities. The U.S. Department of Housing and Urban Development (HUD) issued guidelines in its PHA GAAP Flyer on "Accounting for Fixed Assets" that addressed the use of estimated costs when historical costs are not available. The SFHA believes that engaging the services of an independent consultant who is most experienced in determining the appropriate estimated values for our land, structures and equipment will address the audit finding and remove the qualification in our financial statements.

PROCUREMENT PROCESS

A Request for Proposals (RFP) to reconstruct the fixed asset accounts was mailed directly to sixteen (16) accounting and auditing firms listed in our database on January 23, 2004 with a closing date of February 20, 2004. The RFP package was, likewise, made available in the websites of SFHA and the City and County of San Francisco.

A total of three (3) firms submitted written proposals by the February 20, 2004, closing date. These firms, in alphabetical order, were:

- Casterline and Associates
- CBIZ Accounting, Tax & Advisory of Orange County, Inc. (CBIZ)
- HJ Financial Groups

An Evaluation Panel of four qualified SFHA Finance and Procurement staff members who were directly involved in addressing the SFHA problem of reconstructing the fixed asset accounts was formed to select the best firm based solely on the firms' ability to perform the services. The four members of the Evaluation Panel were:

- Herbert Lum, Acting Deputy Department Administrator, Chairperson
- Virgilio Chua, Accounting Manager
- William Hong, Management Analyst
- Julieta Palileo, Budget Analyst II

The Evaluation Panel conducted a technical qualification review of the written proposal submitted by each firm. The three (3) firms were ranked based on the scores and were all invited to give a verbal presentation and respond to a set of questions to clarify certain issues raised by the panel. The firm of CBIZ made a personal presentation to the panel. The firm of Casterline and Associates and HJ Financial Groups responded to our questions through conference calls. Each firm's technical and presentation scores were added together to arrive at a "combined" score. The Evaluation Panel used the following criteria for scoring the most responsive bidders:

• Firm's background, qualifications and demonstrated ability to provide the service	30%
• Firm's ability, capacity and flexibility in qualified staff and other resources	30%
• Length and depth of experience and knowledge with HUD guidelines, GAAP, and GASB statements	30%
• MBE/WBE participation and resident employment	10%
TOTAL =	100%

The final scores and ranking of the three respondents as recommended by the Evaluation Panel together with their proposed fees are the following:

Consulting Firm	Score
1. CBIZ Accounting, Tax & Advisory of Orange County, Inc.	554
2. Casterline and Associates	508
3. HJ Financial Groups	459

As part of the selection process, the Evaluation Panel conducted reference checks on previous related projects conducted by the first two (2) consulting firms.

Based on their presentation, their scope of procedures, verified track records in resolving reconstructing fixed asset accounts of other public agencies, and successful elimination of similar audit qualification, the Evaluation Panel unanimously recommends the firm of CBIZ Accounting, Tax and Advisory of Orange County, Inc.

The procurement process for actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 Rev. 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the SFHA Procurement Policy Manual, and the State of California and local laws.

ANTICIPATED OUTCOME

The consulting firm will work with our independent auditor at the beginning of the project to ensure that the procedures, methodology and objective of the project meet the standards specified by the auditor before the work starts. The primary objective is to ensure that the scope of work performed by the consulting firm will result in the removal of the qualification in the SFHA's financial statements. The consulting firm will physically inspect the land, buildings and structures owned by SFHA, review available records, perform physical inventory of equipment and determine an acceptable alternative valuation by using current replacement values of the equipment, land, and buildings.

Based on the independent verification and valuation reported by the consulting firm, SFHA will use the report as the source document to adjust the financial records of the Authority. The valuation provided by the consulting firm will become the starting point of substantiating the recorded values of the Authority's land, structure and equipment accounts for inclusion in the financial statements for the fiscal year ending September 30, 2004.

WHO BENEFITS

The SFHA will benefit from the independent reconstruction of its fixed asset accounts. The San Francisco Housing Authority will eliminate the audit finding, remove the qualification in the audit report and improve the Authority's Financial Indicator in its Public Housing Assessment System (PHAS) score. The SFHA will address the audit finding that has been outstanding for a number of years.

BUDGET CONSIDERATIONS

Funds to cover the cost of the reconstruction of the fixed asset accounts are available in the Authority's Capital Fund and Section 8 Programs.

RESIDENT EMPLOYMENT

The firm of CBIZ and its subcontractor, Mah & Associates, LLP, are committed to actively recruit, hire and train qualified residents from a pool of available SFHA public housing and Section 8 tenants who possess the necessary skills and experience to assist them in locating and counting the equipment in the various projects and offices.

MBE/WBE STATUS

The firm of CBIZ will be subcontracting a portion of the physical inspection work to Mah & Associates, LLP, a certified Local Business Enterprise/Minority Business Enterprise located in San Francisco. Both firms maintain affirmative action opportunities in their hiring and promotional practices.

RECOMMENDATION

I recommend that the attached resolution be approved, authorizing the execution of an agreement with the consulting firm of CBIZ Accounting, Tax & Advisory of Orange County, Inc. to reconstruct the fixed asset accounts in order to resolve the outstanding audit qualification.

RESOLUTION NO: _____
ADOPTED: _____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION

WHEREAS, the Authority has an audit finding pertaining to its recorded balances in its land, structures and equipment account; and

WHEREAS, said audit finding results in a qualification in the audit reports of the Independent Public Accountant and has affected the Authority's ability to improve its score in the Financial Indicator of the Public Housing Assessment System (PHAS); and

WHEREAS, the consulting firm of CBIZ Accounting, Tax And Advisory of Orange County, Inc. responded to the Authority's Request for Proposals (RFP) and was selected as the best and most qualified bidder; and

WHEREAS, the consulting firm of CBIZ Accounting, Tax And Advisory of Orange County, Inc. matched the Authority's specific requirements to count and cost the land, structure and equipment accounts of the Authority; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 *Procurement*, HUD Handbook 7460.8 REV 1, *Procurement Handbook for Public Housing Agencies and Indian Housing Authorities*, the San Francisco Housing Authority's Procurement Policy Manual, and the State of California and local laws; and

WHEREAS, funds to cover the cost of the reconstruction of the fixed asset accounts are available in the Authority's Capital Fund and Section 8 Programs.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into an agreement with consulting firm of CBIZ Accounting, Tax And Advisory of Orange County, Inc. to assist in the reconstruction of the fixed asset accounts to remove the audit qualification in the Authority's financial statements.
2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

Date: 3-31-04

REVIEWED BY:

Gregg Fortner, Executive Director

Date: 4/1/04

CONFIDENTIAL INFORMATION

Consulting Firm	Met Responsible Criteria	Written Proposal Score	Interview Score	Total Score	Bid Amount	(Excess)/ Below Budget	Recommended Consulting Firm
CBIZ Accounting, Tax & Advisory of Orange County, Inc.	Yes	271	283	554	$ 113,890	$ (63,890)	CBIZ Accounting, Tax & Advisory of Orange County, Inc.
Casterline and Associates	Yes	251	257	508	$ 70,600	$ (20,600)	
HJ Financial Groups	Yes	227	232	459	$ 23,000	$ (27,000)	

Overview

The evaluation panel scored CBIZ Accounting, Tax & Advisory of Orange County Inc. (CBIZ) a total of 554 points. This score is 46 points higher than the second consulting firm, Casterline and Associates. The firm of CBIZ demonstrated, both in their written proposal and verbal presentation, a logical plan of establishing the fixed asset records of the Authority. They presented a detailed work plan of conducting an inventory of our land, structures and equipment, providing estimated costs based on their database and third party records, and preparing a schedule of fixed assets with accumulated depreciation. **The most important criteria in choosing CBIZ was their previous successful projects of removing audit qualification of city agencies with fixed assets problems.** Almost all of the referenced cases presented to us were clients with audit qualification on fixed assets and subsequent elimination of such qualification. The other two (2) bidders **did not** provide references of similar projects.

The panel made the necessary reference checks and confirmed the validity of previous engagements of the fixed assets reconstruction and removal of audit qualification. The clients stated their projects had more complex fixed assets valuation (mostly cities) compared to the Authority.

The next firm, Casterline and Associates, has good knowledge of public housing accounting. They provide seminars and training publications to public housing agencies' (PHA) accounting staff. Nevertheless, they did not convince the panel that they could value our fixed assets based on estimated costs and trending them to acquisition dates. Jason Casterline, partner of the firm, even suggested writing-off assets that cannot be supported by accounting records.

The third firm, HJ Financial Group, is a consultant to public housing agencies also. Their written proposal did not indicate a credible plan of addressing our specific requirements other than providing previous engagements of public housing seminars and unrelated projects. Their bid of $27,000 indicated their lack of previous experience in a fixed assets reconstruction job. Also, the panel felt that the amount quoted would not result in a successful completion within the timeframes as specified.

Recommendation

The objective of our fixed asset reconstruction is to convince our auditors to remove the audit qualification. **The key issue is establishing the physical existence of all of our land, structures and equipment and costing them based on acceptable alternative valuation other than historical costs.** Our auditors agreed to a methodology whereby the recorded values of the fixed assets will be disregarded and replaced with a valuation provided by an **independent** consultant. The evaluation panel decided that the consulting firm of CBIZ has the expertise, technical qualifications, valid database, and tracked records of giving values to fixed assets other than historical costs. The evaluation panel, therefore, recommends the awarding of this contract to **CBIZ Accounting, Tax & Advisory of Orange County, Inc.**

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, April 8, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, April 8, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:13 p.m.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

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A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Executive Director Gregg Fortner asked that the agenda be amended to remove Item 11 C from the agenda. Vice President Brown moved to approve the agenda as amended. Commissioner Smith seconded the motion. The motion to approve the agenda as amended was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Gans moved to approve the minutes. Commissioner Smith seconded the motion. The motion to approve the minutes of the March 25, 2004 Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director requested permission to report on the General Communications and the Report of Secretary simultaneously. There were no objections. Mr. Fortner stated that an updated version of the Commission Request Log was included in their folders. Mr. Fortner brought the Commission's attention to number 19. In reference to that item, Mr. Fortner stated that he was in the process of responding to all of the public speakers of the March 11, 2004 Commission meeting. Mr. Fortner said that all responses would be ready before the next Commission meeting. Next was the report detailing the most recent lease-up activity. The following correspondence was a letter to the Clementina Tenant's Association, in response to the letter given to the Commission at the previous meeting by Adul Kadir. Next, was an agenda for the Community Partner's meeting to discuss the Agency Plan. The meeting is to be held on Wednesday, April 14, 2004 at 1:00 p.m.

As part of the report of secretary, Mr. Fortner reminded the Commission that their Statements of Economic Interests were due to the Ethics Commission on April 1, 2004. If a Commissioner fails to submit the form on time, a $100 fine could be imposed. Last, Mr. Fortner announced that all of the SFHA's applications for CDBG grants were being recommended for funding. In past years, the SFHA had received $250,000 in funding. If all of the applications are approved by the Mayor's Office of Community Development, the SFHA would receive $1.1 million in CDBG funding.

Vice President Brown asked for more information on the dispute regarding the response letter to the Clementina Towers Tenant's Association. Mr. Fortner deferred to Juan Monsanto, Manager for Planning and Program Development to provide more information. Mr. Monsanto explained that the Tenant Association's concern involves a segment of the passageway with two 18' wide columns on either side. The distance between the two columns is 4'3". The space between the columns is about 6'9". The width of the passageway ranges from 6'9" to 8' at each end of the passageway. At it's narrowest point, the passageway is 4'3" for 18 inches. Mr. Monsanto stated that the width is in compliance with the fire code, accessibility code, as well as San Francisco's city code.

Commissioner Palega asked what the initial estimate of the width of the passageway was because he recalled informing the Tenant's Association that it would be about 9 feet. Mr. Monsanto explained that the original plan was schematic and eight feet in width. As the design was developed, the structural engineer was consulted and the structural integrity of the building was assessed as well as issues with Section 202 compliance. Adjustments of where the hallways and structural columns for the elevators would be, and the engineering integrity of the building were determined. Commissioner Palega asked when the new measurements were determined and when was that information shared with the tenants. Mr. Monsanto answered that the plans were finalized about a year ago when the construction documents and the bid package was developed. Both were submitted to the residents at that time. Mr. Monsanto said that he was available to answer questions and discuss any concerns of the residents. Many of the residents opted not to attend the

meetings and were more concerned with environmental issues such as air circulation and sunlight. Representatives from TODCO and the Redevelopment Agency were present at the meetings as well. Commissioner Palega asked if the meetings were held with the Tenant's Association. Mr. Monsanto answered that if the members were present, then yes, but they were all notified.

Commissioner Smith requested a tour of the premises. Mr. Monsanto agreed to have it arranged. Mr. Fortner asked Mr. Monsanto to submit the agenda, dates, and sign-in sheets of the meetings.

President Lee suggested making three smaller columns that would support the same weight and create the space for a six-foot wide walkway. Mr. Monsanto responded that construction is already in progress for the second floor, and the corridor is on the first.

Commissioner Palega stated that the Commission should have been notified because it puts them in a very precarious position. The Commission assured the tenants of a spacious corridor and this is not being provided. Commissioner Palega stated that the corridor was a serious concern of the residents and they wanted to make sure that strolls leading to Howard Street, would not be uncomfortable. Mr. Monsanto replied that the measurements were endorsed by the Mayor's Office on Disability. Commissioner Palega responded that the tenants almost didn't approve the project, but after they were assured that their requests would be met, it was passed. Mr. Fortner added that the concern about the passageway was access to the other building, and he didn't remember discussing how much space would be there. Mr. Fortner informed the Commission that from the time architectural plans are designed to when it is built, there could be hundreds of change orders throughout that process. Mr. Fortner asked the Commission what changes would they like to be notified of during the life of a project. Commissioner Palega responded that alterations in the space of the walkway should have been brought to the Commission's attention before the changes were made because of the sensitivity around the issue. It was one of the initial concerns of the tenants. Mr. Monsanto directed the Commission's attention to the letter to the Tenant's Association where other changes that were made according to the pleasure of the tenants were listed. This also included compliance with the codes and standards of the city. Commissioner Palega maintained that the change negatively reflected the Commission because it appears as if they went back on their word. Mr. Monsanto stated that the residents would be provided with the sign-in sheets and the minutes of the meetings when the information was shared. Upcoming meetings on design issues would also be shared with the tenants.

Commissioner Smith asked if there was sufficient space for wheelchairs and motorized scooters. Mr. Monsanto answered yes.

Vice President Brown asked what the difference was in this week's Lease-Up report. Mr. Fortner answered that the total number went down by four units. Vice President Brown asked for the results of the new method allowing prospective tenants to find a unit and

have it prepared for occupancy. Mr. Fortner deferred to Naja Boyd, Deputy Executive Director. Ms. Boyd answered that the SFHA had not experienced a significant spike in leasing up the units, but an increase is anticipated in the next week. Many interviews had taken place and paperwork had been submitted and processed. People have been identified for the make-ready units and two to three people have been identified for each vacant and available unit. Mr. Fortner added that 40-60 units become available each month, but the SFHA has committed to the Mayor's Office that within the next four months, all of the units would be leased.

Commissioner Woodruff raised concerns about only one-third of those scheduled are actually interviewed. Ms. Boyd responded that letters are sent to people on the list, and those that come to the office prepared receive an interview. Now, more people on the list will be sent letters in an effort to boost the number of people interviewed. Commissioner Woodruff asked what happens if a person misses their interview. Ms. Boyd answered that the person is removed from the list. Mr. Fortner added that being removed from the list is judged by individual circumstances. If a person has a legitimate reason for missing the appointment, the person is rescheduled. Ms. Boyd continued that people who come unprepared for their interview slow down the process. Mr. Fortner said that after they initially come in, they have an indefinite period of time to submit any outstanding paperwork.

Mr. Fortner commented that 60 units are turned over per month meaning there would always be units available. Vice President Brown asked how could the SFHA commit to the mayor that all of the units would be leased within six months. Mr. Fortner answered that it is possible through the aggressive tactics being employed.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No report

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that no closed session would be held.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President of the City Wide Council – Senior/Disabled, William Vitalie asked the Commission to begin thinking about donation ideas for the Volunteer Recognition Luncheon in December. Mr. Vitalie stated that he usually started the drive in October, but that is too late. Mr. Vitalie welcomed new ideas and invited the Commission to call him at home, (415) 221-8369.

Public Housing Tenants Association (PHTA)

President of the Public Housing Tenants Association, Kimberly Brown reported that the executive board held their first meeting on April 5, 2004. Old documents were being reviewed for amendments and the board has committed to meeting every two weeks for the next six weeks. Mr. Fortner suggested Ms. Brown consult with Mr. Vitalie to talk with the City Wide Council's lawyer for advise on their bylaws.

8. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

9. UNFINISHED BUSINESS – None

10. NEW BUSINESS

Resolution No. 5148

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SIGNS AMERICA TO FURNISH THE DESIGN, FABRICATION AND INSTALLATION OF EVACUATION AND STAIRWELL SIGNS AT CAL 1-15, PING YUEN; CAL 1-18(1), JFK TOWERS; CAL 1-18(5), ROSA PARKS; CAL 1-18(6), PING YUEN NORTH; CAL 1-18(10), WOODSIDE GARDENS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-27, 350 ELLIS; CAL 1-28, 666 ELLIS; CAL 1-30(A), 462 DUBOCE; CAL 1-31, 25 SANCHEZ; CAL 1-32, 1760 BUSH; CAL 1-35, 2698 CALIFORNIA; CAL 1-39A, 939 EDDY; CAL 1-41, 430 TURK, IN AN AMOUNT NOT-TO-EXCEED $68,387.00

Barbara Smith, Housing Development and Modernization Administrator presented the resolution. Ms. Smith stated that the money for this contract would come from the 2002 capital fund program. Evacuation and stairwell identification signs were not required by code when the SFHA buildings were constructed, but are now required in new construction. In an effort to enhance life safety features in SFHA buildings, this contract would support phase two of complying with all signage required by code. The contract is for the design, fabrication, and installation of evacuation signs and stairwell fire identification signs at the fourteen developments listed in the resolution. All properties are inspected and conformity is verified by the San Francisco Fire Department ADA and Title 24 Accessibility code. The signs are designed in accordance with Title 19 of the California Code of Regulations Section 3.09, and the San Francisco Fire Department's ADA and Title 24 Accessibility code. Signed samples are submitted to the San Francisco Fire Marshall for approval. After they are approved the signs are fabricated and installed. The procurement process was in compliance with all HUD, California, and Housing Authority policies and procedures. An RFP was prepared by the Housing Development and Modernization department and reviewed by the procurement department prior to its issuance on February 9, 2004. After extensive advertising, three proposals were received by the SFHA on March 2, 2004, the due date for submissions. Signs America, Garnett Signs Studio and Acro Graphics Sign service submitted their proposals. The evaluation panel reviewed and ranked the written proposals based on a possible 100 point score. All three were invited to an interview. Then the companies were asked to give a best and final offer of costs. One company reduced its price, but was still higher than Signs America. Signs America was the top-ranking firm with the lowest costs and has agreed to exceed the 25% resident hiring requirement.

Commissioner Palega asked if Signs America was truly going to hire 14 residents. David Robles of Signs America answered that they would be hiring 14 residents. Commissioner Palega asked how many hours would each employee work. Mr. Robles answered about 20 hours a week, for two days a week. Mr. Fortner asked if the duration depended on the size of the sight. Mr. Robles answered yes.

Commissioner Woodruff asked if this company was used for the previous, similar jobs completed. Ms. Smith answered no. Acro was the low bidder in the last resolution. The cost per sign and per building was lower in the current bid.

Vice President asked for more information regarding the residents receiving training and development. Mr. Robles commented that during the recruitment stages, the prospective employees would be invited to their office to familiarize them with the process. If a resident employee has potential, Signs America would try to permanently place them in a vacant position.

Commissioner Smith asked if they have a translator for non-English speakers. Mr. Robles answered that they would be looking for someone to fulfill that role.

Commissioner Palega asked how many people Signs America has on staff. Mr. Robles answered 12. Commissioner Palega asked if there were any vacancies now. Cynthia Ramsey, President of Signs America answered that they are always looking for good employees and usually hire from the Potrero Hill area. Individuals are started in the fabrication facility, then to the bench process, and are provided training in the installation process. Ms. Ramsey stated that they do not have a lot of turn over because they are a good company and employer. Current vacant positions are a production manager, and in the digital area. In answer to Mr. Fortner's question, Ms. Ramsey confirmed that it would be possible for a resident employee to move into those positions. Commissioner Palega asked if anyone currently employed by the company is a public housing resident. Ms. Ramsey stated that she does not usually ask that question of employees, but was sure that they live in the area of Potrero Hill.

Commissioner Woodruff asked if the work Signs America to do going to vary from what the previous company had done. Ms. Smith answered that the basic specifications and Fire Marshall approval are the same. The fabrication methods may differ, but essentially the same job would be done.

President Lee asked if the signs were electrically connected to show in the dark. Mr. Robles answered that the specifications don't call for illumination or photoluminizm material. Mr. Fortner asked Bob Dahlstrom if the signs are usually placed near emergency lighting. Mr. Dahlstrom answered yes.

Vice President Brown moved to approve Resolution No. 5148. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5148 was unanimously passed.

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

Barbara Smith, Housing Development and Modernization Administrator presented the resolution. Ms. Smith stated that Hunter's Point A West was built in 1953 on a hilly site and currently does not have a playground. The playground would be in a centrally located, secure area of the site. Ms. Smith then described the procurement process. Extensive advertising identified seven potential bidders who requested the invitation to bid documents. Four contractors participated in the on-site bid walk conducted on March 9, 2004. Two bids were received by the March 15, 2004 due date. P & A Construction bid about $30,000 less than the other potential contractor. There are no subcontracts included in the work, and would take 30 days to complete. P & A Construction has agreed to exceed the 25% resident hiring requirement and is a 100% certified MBE

company by the Human Rights Commission. P & A had performed similar work for other public agencies and has a good history of minimizing change orders. P & A is not debarred from Federal procurement and non-procurement work. The Northern California Training Committee reported that P & A has made their contributions to the training fund in a timely manner. The work to be completed includes, demolition and relocation of an existing walkway, excavation for a retaining wall's backfill with base rock and native soil, new retaining walls, new asphalt for ADA compliance for an accessible path of travel to the playground from the street, new sight drainage system, manhole and pipe connections to the existing sewer system, and new fences. The Conservation Corps would then install the playground on the prepared surfaces.

Vice President Brown asked what is currently on the site. Ms. Smith described it as an open area in the center of Hunter's Point A West, 35 x 45 feet. In response to Commissioner Smith's question, Ms. Smith answered that the city has very rigorous standards on playground equipment and it must be accessible to parents and children who may be disabled. Commissioner Smith suggested broadening the area.

Vice President Brown asked for more information on P&A's involvement with apprenticeship programs. Ms. Smith answered that the company has recently requested apprentices through the Northern California Training Committee and would hire a resident as a laborer. Charlie Pa of P & A Construction answered that he has worked with apprentices in the past. Vice President Brown asked Mr. Pa if he would be obtaining a laborer from the union. Mr. Pa answered that the resident employee would perform cleaning labor at the prevailing wage for the labor group #4B.

Commissioner Palega asked if P & A was working with the local labor board. Mr. Pa reiterated the level of the labor group and said that the person would be paid $24.56 an hour. Commissioner Palega asked if that included fringe benefits. Mr. Pa answered that it includes everything.

Vice President Brown asked who would be assisting when it came time to pour the concrete slab. Mr. Pa answered that the majority of the job would constitute digging. Concrete would be used for the retaining wall and is carpenter work. Mr. Pa stated that he employs his own carpenter. Vice President Brown asked how many people Mr. Pa has employed. Mr. Pa answered more than ten.

President Lee asked if the company was a partnership. Mr. Pa stated that he self employs and is a sole proprietor. Mr. Pa continued stating that they when the concrete is poured, more people would help and when the retaining wall is completed and the asphalt would be lain, another laborer would probably be hired.

Commissioner Woodruff asked if there were other sites with land to be developed into playgrounds. Ms. Smith answered yes and future sites are planned for playground development in collaboration with the Conservation Corps. The Conservation Corp does

not perform the ground preparation work. Mr. Fortner added that the Mayor's Office of Community Development recommended play structures and matting at Sunnydale and West Side Courts. Commissioner Woodruff asked if the sites were receiving the playgrounds one at a time. Ms. Smith stated that two to four sites are approved every year.

Commissioner Palega asked if the position could be referred to the labor board because it was over 200 hours. In addition, would Mr. Pa be able to employ the resident in an apprenticeship program to enable the individual to learn a transferable skill. Mr. Fortner added to the question, whether employment with Mr. Pa add to the hours of an apprenticeship requirement to join a union as a journeyman. Ms. Smith answered that the job would contribute to an individual's apprentice hours and makes it possible to maintain one's dues as well. Vice President Brown commented that he doubted that the hours would count because the laborers have no apprenticeship program.

Vice President Brown asked for evidence that Mr. Pa is paying into an apprenticeship program. Ms. Smith answered that Mr. Pa's dues allow the California Training Committee to refer carpenters, plumbers and electricians, but laborers are not apart of that program. Vice President Brown asked if all ten employees were being paid the prevailing wage and who is the SFHA compliance officer to ensure that the contractors are paying the prevailing wages and receiving certified payrolls from them. Ms. Smith answered that the contractor would be required to pay the prevailing wages to all employees working on this job. Certified payrolls are to be submitted by the contractor to the procurement department, which also monitors the prevailing wages. In addition, SFHA inspectors spot check to make sure the contractor is paying the prevailing wages. Mr. Fortner added that HUD requires the SFHA to submit a quarterly report on compliance with the prevailing wages. Mr. Fortner then asked Rene Latosa to explain how the procurement department monitors prevailing wages. Mr. Latosa stated that contractors submit payrolls every two weeks to the SFHA, inspectors perform spot checks to make sure prevailing wages are being paid and whether the inspector has signed off on his interviews with employees. Mr. Latosa said that if prevailing wages are not paid the SFHA could get in trouble with the Department of Labor and HUD.

Commissioner Smith asked if Mr. Pa would hire a resident for his next job if their work was exceptional on this one. Mr. Fortner also asked him to answer whether or not he pays his other employees the prevailing wage. Mr. Pa answered that when he performs private work, he does not pay the prevailing wage, but on government contracts, he does. Mr. Fortner asked if the resident does a good job while employed, would that individual have the opportunity for future employment with P & A at the prevailing wage. Mr. Pa answered that there it is possible, but not certain.

President Lee asked if Mr. Pa had done any work with the SFHA before. Mr. Pa answered no.

Vice President asked for more information about the other government agencies Mr. Pa had done work for. Mr. Pa stated that he had done work at the 16th and Mission BART station, San Francisco Fire Station No. 6, and Santa Clara County.

President Lee asked if Mr. Pa had ever done playground work before. Mr. Pa answered that the majority of the job is digging and the work at the 16th Street and Mission was much more difficult. Mr. Fortner stated that the playground would be installed by a different contractor and Mr. Pa would simply prepare the grounds.

Commissioner Gans moved to approve Resolution B. Commissioner Smith seconded the motion. The motion to approve Resolution B was defeated. Commissioners Smith, Gans and Lee were in favor of the resolution and Commissioners Palega, Brown and Woodruff opposed the resolution.

Commissioner Lee suggested an interpreter the next time there is a non-English speaking contractors.

11. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Kevin Robinson, President of the Alemany Resident Management Corporation stated that the social and economic issues plaguing the African-American community must be addressed immediately in order to stop the violence. The culture must be changed by resident leaders and outside agencies taking responsibility to invest in the community. The Alemany Resident Management Corporation has taken a proactive stance to initiate these changes. Mr. Robinson stated that he had tried to reach the Executive Director before bringing it to the Commission to no avail. He stated that Mr. Fortner's Executive Assistant was very rude to him. Mr. Robinson stated that they had not received a phone call confirming a scheduled meeting for May 2, 2004. Mr. Fortner commented that a meeting was scheduled for Thursday of the following week. Mr. Robinson stated that their organization is not recognized as legitimate and they cannot get the keys to offices. Mr. Robinson concluded that they are merely trying to make a positive change in the community and stop the murders.

Lizzie Johnson was not present to address the Commission.

Elisha Rochell was not present to address the Commission.

Sarah Benton complained about the difficulties in obtaining her Section 8 voucher. She is currently living in fear at the Arlington Hotel and has experienced extreme violence. Ms. Benton asked how long it was going to take in order to obtain it.

Elisha Rochell asked the Commission how they planned on collaborating with the other Commissions to make the neighborhoods safe. Ms. Rochell asked if a meeting had been

set. Mr. Fortner answered that there would be a turn over of all Police Commissioners by the end of April. The joint meeting would be scheduled at the beginning of May.

Janetta Nartey of The Family School was present in support of the Alemany Resident Management Corporation's passion in creating a better community. Ms. Nartey stated that their organization reached out to them to provide services to the Alemany residents. Ms. Nartey spoke of concerns with boarded up classrooms and computer learning centers that could be utilized by the residents. She urged the Commission to take a serious look at what is happening in that community and work with the residents to get activities started. Ms. Nartey thanked Mr. Fortner for the scheduled meeting and stated that they wanted to create a model to duplicate in other complexes.

Georgia Willette complained about the lack of activities for the elderly in the Alemany community. Ms. Willette stated that their community needed a facility that could be used for senior activities.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Gans stated that on April 20, 2004 she would hold a workshop on Adolescent Behavior.

President Lee commended Mr. Fortner on the recent basketball tournament with the Mayor and other city departments. President Lee stated that the Mayor stayed from almost 9am until 3pm and hopefully the city will start taking care of a less desirable area to make it a better place to live.

Commissioner Palega thanked Ms. Boyd, Mr. Fortner, Mr. Williams and the other staff for doing the clean up at the basketball tournaments.

Commissioner Smith commented that a memorial service would be held for Effie Robinson on April 15, 2004 at 1pm at Rosa Parks. Ms. Robinson was the founder of the City Wide Council and oversaw the building of Rosa Parks.

14. ADJOURNMENT

There being no further business to come before the Commission, Vice President Brown moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Lee adjourned the regularly scheduled meeting of April 8, 2004 at 5:44 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

Please Attend!

San Francisco Housing Authority

Community Partners Meeting

To Discuss the FY 2004 Annual Plan Activities

1:00 P.M.

Wednesday, April 14, 2004

440 Turk Street (SFHA Commission Room)

San Francisco, CA 94102

DOCUMENTS DEPT.

APR - 8 2004

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PUBLIC LIBRARY

Agenda

1. Welcome
2. Discussion of the Admissions and Continued Occupancy Proposals
3. Discuss the Section 8 Administrative Plan Proposals
4. Discuss Housing Development and Modernization Proposals
5. Question & Answer Period
6. General Discussion & Wrap-up

RSVP: 415-241-1046

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, APRIL 22, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
April 22, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - April 8, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Report of April 20, 2004 Meeting
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO HUD THE CALCULATION OF OPERATING SUBSIDY FOR THE LOW INCOME HOUSING PROGRAM BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2004, TO SEPTEMBER 30, 2005, FOR THE LOW INCOME HOUSING DEVELOPMENTS UNDER CONTRACT SF-255

(C) RESOLUTION APPROVING THE SECTION 8 HOUSING ASSISTANCE PAYMENT BUDGET FOR THE FISCAL YEAR PERIOD OCTOBER 1, 2004 TO SEPTEMBER 30, 2005 UNDER CONTRACT SF-618

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SIDE LETTER OF AGREEMENT WITH PLUMBERS LOCAL 38 TO ROLL OVER THE CURRENT CONTRACT UNTIL SEPTEMBER 30, 2004

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: April 16, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00.**

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with P & A Construction Co. for ADA/504 Compliant Site Improvements for Future Playground Installation Work at CAL 1-17A, Hunters Point A West, a family development.

Hunters Point A West was built in 1953 and consists of forty-eight two and three-story building, and has 316 family dwelling units.

The San Francisco Conservation Corps (SFCC) is the recipient of a Community Development Block Grant (CDBG) to provide and install play equipment at Authority playgrounds. As a condition of the award, the Authority must supply the funding for the site improvement work necessary to install the play equipment. This contract will allow P & A Construction Co. to construct the necessary site improvements.

The Authority issued Solicitation No. 03-620-IFB-055 on February 23, 2004 following review and approval of the solicitation by the Finance and Procurement Departments.

PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Civil Engineering Services Consultant, Lee, Inc. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

Past Bidders List, Contractors Blue Book & Yellow Pages: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to forty-six (46) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

HRC: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to six (6) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

Labor Unions: The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

Newspapers: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- World Journal, (Asian American Community)

Additional Newspapers: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

Public Agency Websites: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

Builders Exchanges: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Construction Data Plan Room,

Seven (7) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on March 9, 2004. In attendance were four (4) contractors along with the Consultant, and Authority staff members.

BIDDER SELECTION PROCESS

The closing date for the solicitation was March 15, 2004 and the Authority received bids from two (2) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval and for approval to prepare this Resolution. The contractors' bids are as follows:

BID PROPOSALS:

Bidder	Bid Proposal	25% Resident Hiring	Contractor MBE/ WBE	Sub Contractors	MBE/WBE Sub Contractor % Of Total Job	Total MBE/ WBE
P&A Construction Co.	$99,950	Yes	Yes	Zero	NA	100%
Lewis M. Merlo Inc.	$132,000	Yes	No	One	41.1%	41.1%

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is P & A Construction Co. They are pursuing one or two positions for resident hiring.

According to the reference check on past projects performed by P & A Construction Co., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that P & A Construction Co. is not debarred from Federal Procurement and Non-Procurement work.

We contacted the Northern California Apprenticeship Training Committee regarding P&A Construction Co. and were informed that the Contractor has been requesting the dispatch of apprentices (as required by Title 8, CCR 230.1(a)), and making their training fund contributions (as required by Title 8, CCR 230.2(c)) to the Committee in a timely manner.

OBJECTIVES

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the site improvements for future playground. Work under this contract will generally include, but not be limited to, the following:

a) Demolition and relocation of an existing walkway.
b) Excavation for the retaining walls.
c) Backfill with base rock and native soil.
d) New retaining walls.
e) New asphalt paving.
f) New site drainage system, manhole and pipe connections to the existing sewer system.
g) New fences.

PRESENT SITUATION

Hunters Point A West is a San Francisco Housing Authority family development comprised of 48 two and three – level residential buildings built in 1953. The future playground to be installed by SFCC needs site preparation work in order to install the equipment.

ANTICIPATED OUTCOMES

The site will be prepared for the future playground to be installed by SFCC. An ADA/504 compliant accessible path of travel from the street to the new playground area will be constructed. The new playground area will also be ADA/504 compliant. P & A Construction Co. will provide a two-year guarantee for materials and workmanship, in compliance with Authority standards.

WHO BENEFITS

Public housing residents, especially children, parents and the disabled will benefit from the new playground to be installed by SFCC upon completion of the site improvements. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, P & A Construction Co. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

BUDGET CONSIDERATION

The Site Improvements for Future Playground is funded in the Year 2002 Capital Fund Program budgets.

RESIDENT HIRING

P & A Construction Co. is committed to exceeding the 25 percent resident hiring goal on this job.

The contractor estimates that it will take about 200 hours to complete the project, of which a minimum 50 hours will be resident hire employment. One or two residents will be hired, and for the 200 hours duration of the project there will be 60 hours of resident hire, exceeding the 25% requirement.

MBE/WBE PARTICIPATION

P & A Construction Co. is a small firm of two partners, and they do most of the work themselves. P & A Construction Co. is certified as 100% MBE by the San Francisco Human Rights Commission.

RECOMMENDATION

P & A Construction Co. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the 2002 Capital Fund Programs. Because the site needs preparation for play equipment to be provided and installed by SFCC, the site preparation work must be done expeditiously in order not to jeopardize the CDBG funding for the play equipment, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with P & A Construction Co.

(Prepared by: Jasmine Kuo, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED_____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

WHEREAS, The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-055 for ADA/504 Compliant Site Improvements for Future Playground Equipment Work at CAL 1-17A, Hunters Point A West, and

WHEREAS, P & A Construction Co. submitted the lowest responsive and responsible bid of $99,950.00 to provide for the Site Improvements for Future Playground Equipment at CAL 1-17A, Hunters Point A West; and

WHEREAS, the site needs site preparation work in order to install the future playground equipment and to comply with accessibility requirements; and

WHEREAS, funding is available through the HUD 2002 Capital Fund Program; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

WHEREAS, P & A Construction is committed to meeting the Resident Hiring requirements; and

WHEREAS, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a contract with P & A Construction Co. to provide Site Improvements for Future Playground Installation Work at CAL 1-17A, Hunters Point A West, in an amount Not-To-Exceed $99,950.00.

2. This Resolution shall take effect immediately.

APPROVED AT TO FORM AND LEGALITY: **REVIEWED BY:**

DONNA MARTIN, General Counsel

Date: 3-31-04

GREGG FORTNER, Executive Director

Date: 4/1/04

B

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: April 22, 2004

TO: San Francisco Housing Authority Commissioners

Julie Lee, President
George Brown, Vice-President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Reverend George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO HUD THE CALCULATION OF OPERATING SUBSIDY FOR THE LOW INCOME HOUSING PROGRAM BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2004, TO SEPTEMBER 30, 2005, FOR THE LOW INCOME HOUSING DEVELOPMENTS UNDER CONTRACT SF-255**

OVERVIEW

HUD Regulations require Public Housing Authorities (PHAs) to submit their operating budget ninety (90) days before the end of each fiscal year. On September 11, 2003, HUD issued Public Housing Notice PIH-2003-22 that requires PHAs to submit their Calculation of Operating Subsidies and Operating Budgets to HUD no later than Friday, May 14, 2004. Due to budgetary uncertainties, the early budget submission will allow HUD to consolidate all PHAs operating subsidies funding requests to determine actual funding levels for FY2005.

OBJECTIVES

The approval of this resolution will allow the SFHA to submit its Calculation of Operating Subsidy and Operating Budget to HUD by the required due date. Once HUD approves the submission, operating subsidies will be provided to fund the Low Income Housing Operating Program for the period October 1, 2004 to September 30, 2005.

PRESENT SITUATION

Normally, the SFHA would submit its Operating Budget to HUD on or before June 30th preceding the new fiscal year, instead of May 14, 2004. Because HUD anticipates a budgetary shortfall of at least 10 percent for FY2005, the SFHA has developed various FY2005 budget scenarios indicating differing funding levels. As such, we are submitting a balanced budget plan for FY2005, but without the budgetary detail for specific reductions, which will be identified after HUD approves the Authority's funding level for FY2005 and before the start of the new fiscal year.

ANTICIPATED OUTCOMES

The operating subsidy provides funding for the day-to-day operation of services to our residents for units under the Public Housing Program.

WHO BENEFITS

The approximately 12,000 public housing residents of San Francisco benefit from this approval since the operating subsidy supports the day-to-day operations of the Public Housing Program.

BUDGET CONSIDERATION

Failure to submit the Operating Subsidy Calculation and Operating Budget by May 14, 2004, will cause suspension and/or loss of operating subsidy payments to the Authority.

RECOMMENDATIONS

Your approval of this resolution initiates the funding approval process for HUD to obligate a full year of operating subsidy funding to the Authority.

SAN FRANCISCO HOUSING AUTHORITY
LOW INCOME BUDGET ANALYSIS
FY 2005

	DESCRIPTION (1)	FY 2004 APPROVED BUDGET (2)	FY 2005 PROPOSED BUDGET (3)	Increase/ (Decrease) (3-2)
OPERATING RECEIPTS:				
010	Dwelling Rentals	$16,014,055	$16,407,658	$393,603
020	Excess Utilities	0	0	0
030	NonDwelling Rentals	39,732	24,800	(14,932)
040	Total Rental Income	16,053,787	16,432,458	378,671
050	Interest Income	48,000	32,200	(15,800)
060	Other Operating Receipts	153,970	172,530	18,560
090	**TOTAL OPERATING RECEIPTS**	**$16,255,757**	**$16,637,188**	**$381,431**
OPERATING EXPENDITURES				
ADMINISTRATION:				
110	Salaries	5,753,357	5,783,245	29,888
120	Admin. Expenses Other than Salaries	1,708,579	1,973,868	265,289
190	**TOTAL ADMINISTRATION EXPENSES**	**$7,461,936**	**$7,757,113**	**$295,177**
TENANT SERVICES:				
210	Salaries	719,319	729,278	9,959
220	Recreation, Publication, & Others	10,000	5,000	(5,000)
230	Contract Costs	187,835	193,935	6,100
290	**TOTAL TENANT SERVICES EXPENSES**	**$917,154**	**$928,213**	**$11,059**
UTILITIES:				
310	Labor	0	0	0
320	Utilities	9,253,649	9,573,295	319,646
390	**TOTAL UTILITIES**	**$9,253,649**	**$9,573,295**	**$319,646**
ORDINARY MAINTENANCE & OPERATIONS				
410	Labor	9,828,761	10,422,756	593,995
420	Materials	1,349,261	1,505,442	156,181
430	Contract Costs	3,939,898	4,357,120	417,222
450	**TOTAL ORDINARY MAINTENANCE**	**$15,117,920**	**$16,285,318**	**$1,167,398**
PROTECTIVE SERVICES				
460	Labor	0	0	0
470	Materials	4,500	4,500	0
480	Contract Costs	197,200	127,480	(69,720)
490	TOTAL PROTECTIVE SERVICES	$201,700	$131,980	($69,720)

SAN FRANCISCO HOUSING AUTHORITY
LOW INCOME BUDGET ANALYSIS
FY 2005

	DESCRIPTION (1)	FY 2004 APPROVED BUDGET (2)	FY 2005 PROPOSED BUDGET (3)	Increase/ (Decrease) (3-2)
	GENERAL EXPENSES:			
510	Insurance	$2,744,808	$2,916,723	$171,915
520	Payment in Lieu of Taxes	0	0	0
530	Terminal Leave Payments	0	0	0
540	Employee Benefit Contributions	7,358,805	8,514,983	1,156,178
550	Collection Losses	180,000	180,000	0
560	Other General Expenses	1,502,835	1,547,400	44,565
590	**TOTAL GENERAL EXPENSES**	**$11,786,448**	**$13,159,106**	**$1,372,658**
600	**TOTAL ROUTINE EXPENSES**	**$44,738,807**	**$47,835,025**	**$3,096,218**
690	**TOTAL EXPENSES**	**$44,738,807**	**$47,835,025**	**$3,096,218**
	NON-ROUTINE EXPENDITURES:			
710	Extraordinary Maintenance	0	0	0
720	Replacement of Equipment	100,000	100,000	0
730	Betterment & Additions	0	12,000	12,000
740	Other Non-Routine Expenditures	0	200,000	200,000
790	**TOTAL NON-ROUTINE EXPENDITURES**	**$100,000**	**$312,000**	**$212,000**
	OTHER EXPENDITURES:			
810	Prior Years Adjustments	0	0	0
820	Other Deductions	0	0	0
830	**TOTAL OTHER EXPENDITURES**	**$0**	**$0**	**$0**
890	**TOTAL OPERATING EXPENDITURES**	**$44,838,807**	**$48,147,025**	**$3,308,218**
920	**RESIDUAL RECEIPTS BEFORE HUD**			
	CONTRIBUTION	**($28,583,050)**	**($31,509,836)**	**($2,926,787)**
	OTHER HUD CONTRIBUTIONS			
930	Operating Subsidy	27,956,818	29,286,449	1,329,631
940	HUD Hold Back FY2004 = 5.3%	(1,481,711)	0	1,481,711
950	Prior Year Utility Adjustments	0	0	0
955	CFP 2003/2004 Transfer to Operations	2,456,316	2,456,316	0
960	**TOTAL HUD CONTRIBUTIONS**	**$28,931,423**	**$31,742,765**	**$2,811,342**
970	**Increase/(Decrease) In Reserves**	**$348,373**	**$232,929**	**($115,444)**

Operating Fund Calculation of Operating Subsidy

PHA-Owned Rental Housing

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Exhibit A

Section I

a.) Name and Address of Public Housing Agency

San Francisco Housing Authority
440 Turk Street
San Francisco, CA 94102

b) Budget Submission to HUD Required
☐ Yes ☐ No

c) Type of Submission:
☐ Original
☐ Revision

d) No. HA Units	e) Unit Months Available (UMAs)	f) Subject FYE	g) ACC Number:	h) Operating Fund Project Number	i) (Reserved)
6,114	64,668	09/30/05	SF-255	CA00100105S	

Section 2

Line No.	Description		Requested by PHA (PUM)	HUD Modifications (PUM)
Part A. Allowable Expense and Additions				
01	Previous allowable expense level (Part A line 08 of form HUD-52723 for previous fiscal year)		454.70	
02	Part A, Line 01 multiplied by .005		2.27	
03	Delta from form HUD-52720-B if applicable (see instructions)		0	
04	Requested year units from latest form HUD-52720-B (see instructions)			
05	Add-ons to allowable expense level from previous fiscal year (see instruction)		0.00	
06	Total of Part A, lines 01,02, 03, and 05		456.97	
07	Inflation Factor		1.037	
08	Revised allowable expense level (AEL) (Part A , line 06 times 07)		473.88	
09	Transition Funding		4.70	
10	Increae to AEL			
11	Allowable utilities expense level from form HUD-52722-A		148.04	
12	Actual PUM cost of Independent Audit (IA) (Through FYE 09/30/02)		0.00	
13	Costs attributable to deprogrammed units		0.00	
14	Total Allowable Expenses and Additions (sum lines 07 thru 10)		626.62	
Part B. Dwelling Rental Income				
01	Total rent roll (as of 04/01/04	$1,279,896		
02	Number of occupied units as of rent roll date	5,040		
03	Average monthly dwelling rental charge per unit for current budget year (Part B, Line 01 - Line 02	253.95		
04	Average monthly dwelling rental charge per unit for prior budget year	247.17		
05	Average monthly dwelling rental charge per unit for budget year 2 years ago	240.57		
06	Three-year average monthly dwelling rental charge per unit (Part B, Line 03 + Line 04 + Line 05)- 2	247.23		
07	50/50 Income split (Part B, Line 03 + Line 06) - 2	250.59		
08	Average monthly dwelling rental charge per unit (Lesser of Part B, Line 03 or Line 07)		250.59	
09	Rental income Adjustment Factor		1.03	
10	Projected average monthly dwelling rental charge per unit (Part B, Line 08 times Line 09)		258.11	
11	Projected occupancy percentage (see instruction)		95%	
12	Projected average monthly dwelling rental income per unit (line 16 times 17)		245.20	
Part C. Non-dwelling Income				
01	Other Income		0.38	
02	Total operating receipts (Part B, line 12 plus Part C, line 01)		245.58	
03	PUM deficit or (Income) (Part A, line 14 minus Part C, line 02)		381.04	
			Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
04	Deficit or (Income) before add-ons (Part C, line 03 times Section 1,e)		$24,641,095	

Previous edition is obsolete for PHA Fiscal Years beginning 1/1/2001 and thereafter

form HUD-52723 (1/2001)

Line No.	Description		Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
Part D. Add-ons for changes in Federal law or regulation and other eligibiltiy				
01	FICA contribution		$983,598	
02	Unemployment compensation			
03	Family Self Sufficiency Program			
04	Energy Add-On for loan amortization			
05	Unit reconfiguration	68,239		
06	Non-dwelling units approved for subsidy			
07	Long-term vacant units			
08	Phase Down for Demolitions	3,451,742		
09	Units Eligible for Resident Participation: Occupied Units (Part B, Line 02)	5,040		
10	Employee Units	23		
11	Hayes Valley, Yerba Buena Plaza & Bernal Dwellings, Nort	608		
12	Total Units Eligible for Resident Participation (Sum of Part D, Lines 09 thru 11)	5,671		
13	Funding for Resident Participation (Part D, Line 12 x $25)	141,775		
14	Other approved funding, not listed (Specify in Section 3)			
15	Total add-ons (sum of Part D, lines 01, 02, 03, 04, 05, 06, 07, 08,13 and 14)		$4,645,354	
Part E. Calculation of Operating Subsidy Eligibility Before Adjustments				
01	Deficit or (income) before year-end adjustments (total of Part C, Line 04 and Part D, Line 15)		$29,286,449	
02	Actual cost of Independent Audit (IA)		$0	
03	Operating subsidy eligibility before adjustments (greater of Part E, line 01 or line 02) (if less than zero, enter zero (o)		$29,286,449	
Part F. Calculation of Operating Subsidy Approvable for Subject Fiscal Year			Do not revise after the end of subject year.	
01	Utility Adjustment for Prior Years Utility Adjustments for FY2003 at 100%		$0	
02	Additional subject fiscal year operating subsidy eligibility (specify)			
03	Unfunded eligibility in prior fiscal years to be obligated in subject fiscal year			
04	HUD discretionary adjustments			
05	Other (specify) FY 2001 Cost Attributable to Deprogrammed Units			
06	Other (specify)			
07	Unfunded portion due to proration at		$0	
08	Net adjustments to operating subsidy (total of Part F, Lines 01 thru 07)		$0	
09	Operating subsidy approvable for subject fiscal year (total of Part E, lines 03 and Part F, Line 08)		$29,286,449	
HUD Use Only (Note: Do not revise after the end of the subject FY)				
10	Amount of operating subsidy approvable for subject fiscal year not funded			
11	Amount of funds obligated in excess of operating subsidy approvable for subject fiscal year			
12	Funds obligated in subject fiscal year (sum of Part F, Line 09 thru 11) (Must be the same as line 690 of the Operating Budget, form HUD-52564, for the subject fiscal year			
PART G. Memorandum of Amounts Due HUD, including Amounts on Repayment Schedules				
01	Total amount due in previous fiscal year (Part G, line 04 of form HUD-52723 for previous fiscal year)			
02	Total amount to be collected in subject fiscal year (identify individual amounts under Section 3			
03	Total additional amount due HUD (include any amount entered on Part F, line 11) (Identify individual amounts under Section 3			
04	Total amount due HUD to be collected in future fiscal year(s) (Total of Part G, lines 01 thru 03) (Identify individual amounts under Section 3			

Line No.	Description	Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
PART H. Calculation of Adjustment for Subject Fiscal Year			
	This part is to be completed only after the subject fiscal year has ended.		
01	Indicate the types of adjustments that have been reflected on this form ☐ Utility Adjustment ☐ HUD discretionary adjustment (Specify under Section 3)		
02	Utility Adjustment from HUD-52722-b		
03	Deficit or (income) after adjustments (total of Part E, lines 01 and Part H, Line 02)		
04	Operating subsidy eligibility after year-end adjustments (greater of Part E, line 02 or Part H, line 03)		
05	Part E, Line 03 of latest form HUD-52723 approved during subject FY **Do not use line 032 of this revision**		
06	**Net year-end adjustment for subject fiscal year (Part H, line 04 minus Part H, line 05)**		
07	Utility Adjustment (enter same amount as Part H, Line 02)		
08	Total HUD discretionary adjustment adjustments (Part H, Line 06 minus Line 07)		
09	Unfunded portion of utility adjustment due to proration		
10	Unfunded portion of HUD discretionary adjusment due to proration		
11	Prorated utility adjustment (Part H, Line 07 plus 09)		
12	Prorated HUD discretionary adjustment (Part H, Line 08 plus Line 10)		

Section 3

Remarks (provide part and line numbers)

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C.. 1001, 1010, 1012; 31 U.S.C.. 3729, 3802)

Signature of Authorized HA Representative & Date:	Signature of Authorized Field Office Representative & Date
X Executive Director	X

Remarks

Previous edition is obsolete for PHA Fiscal Years beginning 1/1/2001 and thereafter

form HUD-52723 (1/2001)

RESOLUTION NO. 5149
ADOPTED 4/22/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO HUD THE CALCULATION OF OPERATING SUBSIDY FOR THE LOW INCOME HOUSING PROGRAM BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2004, TO SEPTEMBER 30, 2005, FOR THE LOW INCOME HOUSING DEVELOPMENTS UNDER CONTRACT SF-255

WHEREAS, there is attached hereto and marked Exhibit "A," "Calculation of Operating Subsidy" in support of the Low Income Housing Program Operating Budget for the fiscal period of October 1, 2004, through September 30, 2005; and

WHEREAS, the Commission has reviewed the Calculation of Operating Subsidy for determining that pending expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families and the financial plan is reasonable in that it expects a source of funding adequate to cover all pending expenditures and that it does not provide for federal funding in excess of that payable under the provisions of the current Performance Funding System regulations and that all pending rental charges and expenditures will be consistent with provisions of law and Annual Contributions Contract; and

WHEREAS, the San Francisco Housing Authority certifies that it is in compliance with the requirements for the reexamination of family income and composition under 24 CFR 960.209, 990.115, and 905.315; and

WHEREAS, the San Francisco Housing Authority certifies that it is in compliance with the wage rate requirements under 24 CFR 968.110(e) and (f) or 24 CFR 905.120(c) and (d); and

WHEREAS, the San Francisco Housing Authority certifies that it is in compliance with the requirement for access to records and audits under 24 CFR 968.110(i) or 24 CFR 905.120(g); and

WHEREAS, the San Francisco Housing Authority certifies that no PHA employee reflected in the pending budget will serve in a variety of positions exceeding 100 percent allocation of his/her time; and

WHEREAS, the Authority has conducted a review of its working capital needs and expects that the PHA will have sufficient operating reserves to meet the working capital needs of its developments; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Commission authorizes the Executive Director to submit the Calculation of Operating Subsidy and Operating Budget to the HUD San Francisco Office.

2. The Commission authorizes the Executive Director to obligate and expend funds approved by HUD consistent with the Mission and prudent and reasonable business interest and the efficient operation of the San Francisco Housing Authority.

3. This Resolution shall take effect immediately.

APPROVED AT TO FORM AND LEGALITY:

Donna Martin, General Counsel

Date: 4-15-04

REVIEWED BY:

Gregg Fortner, Executive Director

Date: 4/15/04

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: April 22, 2004

TO: San Francisco Housing Authority Commissioners

Julie Lee, President
George R. Brown, Vice-President
Sululagi Palega, Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Reverend George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION APPROVING THE SECTION 8 HOUSING ASSISTANCE PAYMENT BUDGET FOR THE FISCAL YEAR PERIOD OCTOBER 1, 2004 TO SEPTEMBER 30, 2005 UNDER CONTRACT SF-618**

OVERVIEW

There is no statutory or regulatory requirement that an agency's governing Board of Commissioners must approve the Section 8 Program Budget. However, as part of the Board's fiduciary duties and responsibilities, this budget is submitted for your review and approval.

OBJECTIVES

The review and adoption of the Section 8 Program Budget will better assure that the governing body is aware of the agency's operating and financial plan. Where the Board deems appropriate, the budget may be modified.

PRESENT SITUATION

Since program inception in 1974, Congress and HUD have never required Board action in the annual submission of Section 8 budgets. As such, the SFHA did not routinely present to the Board a separate Section 8 Program budget for its review and adoption. Instead, the Section 8 Budget was included with the annual Public Housing Operating Budget.

ANTICIPATED OUTCOME

The submission of the Section 8 Operating Budget will allow the Board of Commissioners to be more aware of management's operating and financial plan.

WHO BENEFITS

The Board will be better informed about the operating plans for the Section 8 Program and its financial implications.

BUDGET CONSIDERATION

The agency will maximize the utilization of available funding and will increase the income by issuance of available vouchers to the families on the waiting list for the Section 8 Program. As the result, the requested funds for the FY 2005 will increase by $2.8 million over FY 2004. We anticipate having a 100% lease-up for the FY 2005 Budget.

RECOMMENDATIONS

Your approval of this resolution is requested.

SAN FRANCISCO HOUSING AUTHORITY
SECTION 8 PROGRAM BUDGET
FY2005

	DESCRIPTION (1)	FY 2004 APPROVED BUDGET (2)	FY 2005 PROPOSED BUDGET (3)	Increase/ (Decrease) (3-2)
OPERATING RECEIPTS:				
010	Housing Assistance Payments - HUD	$137,688,120	$139,107,600	$1,419,480
020	Housing Assistance Payments - HOPWA & Shelter+care	5,991,846	6,900,000	908,154
030		-	-	0
040	Total Housing Assistance Payments	143,679,966	146,007,600	2,327,634
050	Audit Fees	104,182	93,000	(11,182)
060	Miscellaneous Income	70,000	50,000	(20,000)
090	**TOTAL OPERATING RECEIPTS**	**$143,854,148**	**$146,150,600**	**$2,296,452**
OPERATING EXPENDITURES				
ADMINISTRATION:				
110	Salaries	3,946,178	4,186,173	239,995
120	Admin. Expenses Other than Salaries	910,164	1,010,314	100,150
190	**TOTAL ADMINISTRATION EXPENSES**	**$4,856,342**	**$5,196,487**	**$340,146**
TENANT SERVICES:				
210	Salaries	104,706	98,132	(6,574)
220	Recreation, Publication, & Others	10,000	10,000	0
230	Contract Costs	0	0	0
290	**TOTAL TENANT SERVICES EXPENSES**	**$114,706**	**$108,132**	**($6,574)**
UTILITIES:				
310	Labor	0	0	0
320	Utilities	5,000	5,000	0
390	**TOTAL UTILITIES**	**$5,000**	**$5,000**	**$0**
ORDINARY MAINTENANCE & OPERATIONS				
410	Labor	0	0	0
420	Materials	21,094	22,913	1,819
430	Contract Costs	56,637	30,680	(25,957)
450	**TOTAL ORDINARY MAINTENANCE**	**$77,732**	**$53,593**	**($24,139)**
PROTECTIVE SERVICES				
460	Labor	0	0	0
470	Materials	0	0	0
480	Contract Costs	50,000	50,000	0
490	**TOTAL PROTECTIVE SERVICES**	**$50,000**	**$50,000**	**$0**

SAN FRANCISCO HOUSING AUTHORITY
SECTION 8 PROGRAM BUDGET
FY2005

	DESCRIPTION (1)	FY 2004 APPROVED BUDGET (2)	FY 2005 PROPOSED BUDGET (3)	Increase/ (Decrease) (3-2)
GENERAL EXPENSES:				
510	Insurance	$237,912	$231,439	($6,473)
520	Payment in Lieu of Taxes	0	0	0
530	Terminal Leave Payments	0	0	0
540	Employee Benefit Contributions	1,636,369	2,061,292	424,923
550	Collection Losses	0	0	0
560	Other General Expenses	13,245	13,300	55
590	**TOTAL GENERAL EXPENSES**	**$1,887,526**	**$2,306,031**	**$418,505**
600	**TOTAL ROUTINE EXPENSES**	**$6,991,305**	**$7,719,243**	**$727,938**
690	**TOTAL EXPENSES**	**$6,991,305**	**$7,719,243**	**$727,938**
NON-ROUTINE EXPENDITURES:				
710	Extraordinary Maintenance	0	0	0
720	Replacement of Equipment	20,000	20,000	0
730	Betterment & Additions	24,000	24,000	0
740	Other Non-Routine Expenditures	0	0	0
790	**TOTAL NON-ROUTINE EXPENDITURES**	**$44,000**	**$44,000**	**$0**
PRIOR YEARS ADJUSTMENTS:				
810	Prior Years Adjustments	0	0	0
830	**TOTAL OTHER EXPENDITURES**	**$0**	**$0**	**$0**
OTHER EXPENDITURES:				
840	Housing Assistance Payments - HUD	137,688,120	139,107,600	1,419,480
850	Housing Assistance Payments - HOPWA & Shelter+Care	5,991,846	6,900,000	
860		0	0	0
870	**TOTAL OTHER EXPENDITURES**	**$143,679,966**	**$146,007,600**	**($2,327,634)**
890	**TOTAL OPERATING EXPENDITURES**	**$150,715,271**	**$153,770,843**	**$3,055,572**
920	**RESIDUAL RECEIPTS BEFORE HUD**			
	CONTRIBUTION	**($6,861,123)**	**($7,620,243)**	**($759,120)**
ADMINISTRATIVE FEES EARNED:				
910	Administrative Fees Earned - HUD	7,718,613	8,060,557	341,944
920	Administrative Fees Earned - HOPWA & Shelter+Care	428,163	490,200	62,037
930		-	-	-
960	**TOTAL HUD CONTRIBUTIONS**	**$8,146,776**	**$8,550,757**	**$403,981**
970	**Increase/(Decrease) In Reserves**	**$1,285,653**	**$930,514**	**($355,139)**

RESOLUTION NO. 5150
ADOPTED 4/22/04

RESOLUTION APPROVING THE SECTION 8 HOUSING ASSISTANCE PAYMENT BUDGET FOR THE PERIOD OCTOBER 1, 2004 TO SEPTEMBER 30, 2005 UNDER CONTRACT SF-618

WHEREAS, there is attached hereto and marked as Exhibit "A," the Budget in summary form for the Section 8 Housing Assistance Payment Programs for the period of October 1, 2004 through September 30, 2005; and

WHEREAS, the Commission has reviewed the aforementioned budget and determines that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority Section 8 Housing Assistance Program for the purpose of serving low-income families. The expenditures will be consistent with provisions of law and Annual Contributions Contract; and

WHEREAS, the San Francisco Housing Authority certifies that it is in compliance with the requirement for access to records and audits under 24 CFR 968.110(i) or 24 CFR 905.120(g); and

WHEREAS, the San Francisco Housing Authority certifies that no PHA employee reflected in this budget serving in a variety of positions will exceed 100 percent allocation of his/her time; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Commission authorizes the Executive Director to submit the Section 8 Operating Budget to the HUD San Francisco Office.

2. The Commission authorizes the Executive Director to obligate and expend funds approved by HUD consistent with the Mission and prudent and reasonable business interest and the efficient operation of the San Francisco Housing Authority.

3. This Resolution shall take effect immediately.

APPROVED AT TO FORM AND LEGALITY:

Donna Martin, General Counsel

Date: 4-15-04

REVIEWED BY:

Gregg Fortner, Executive Director

Date: 4/15/04

D

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

Date: April 14, 2003

To: San Francisco Housing Authority Commissioners

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Reverend George Woodruff, Commissioner

From: Gregg Fortner, Secretary/Executive Director

Subject: Resolution authorizing the Executive Director to enter into a side letter of agreement with the Plumbers Union Local 38 to roll over the current contract until September 30, 2004.

Overview

The Memorandum of Understanding (MOU) between the SFHA and the Plumbers Union Local 38 expired on September 30, 2003. There have been numerous communications between the SFHA and the Plumbers Union Local 38; however, negotiations are complicated by the unsettled conditions at the City and County of San Francisco. As the Commissioners may recall, wage provisions in our craft MOU's are generally consistent with wage rates at the City and County of San Francisco. Since the City is currently in negotiations with its unions, Local 38 and SFHA believed it prudent to preserve the current MOU, with slight modifications as spelled out in the side letter, until there is greater clarity.

To achieve this end, Local 38 and the SFHA have tentatively agreed to roll over the current contract until September 30, 2004. The side letter before you today modifies the current MOU through three provisions. First, that the SFHA will stay consistent in its Health and Welfare payments; these payments are connected to the Plumbers Master agreement. Second, if there is an increase in wages with the City and County, the SFHA will match that percentage wage increase. Finally, that the SFHA will pay into the apprenticeship trust fund. All other provisions of the current MOU remain the same.

Anticipated outcome

That the proposed side letter be adopted and the SFHA and Local 38 roll over the current MOU until September 30, 2004 with the three adjustments cited above.

Who benefits

The SFHA benefits by complying with good faith bargaining and continuing the mutually respectful relationship with Local 38. The plumbers in Local 38 will benefit with the continuation of their current Health/Welfare benefit levels.

Budget Considerations

The annual cost of the Health and Welfare payments and the payments into the apprenticeship trust will be approximately $51,200. Funds are available from the Low Income Operating Program.

Recommendation

Adopt the resolution for entering into a side agreement with Local 38 to roll over the current MOU until September 30, 2004.

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

SIDE LETTER OF AGREEMENT

Plumbers Union Local 38 and the San Francisco Housing Authority

April 12, 2004

The Parties agree that this Side Letter of Agreement shall remain in force through September 30, 2004.

For the term of this Agreement the Parties have agreed on the following items:

ARTICLE III WAGES AND CLASSIFICATIONS

Section 1. Any wage increase given to the members of Local 38 by the City and County of San Francisco will be given to the plumbers employed with the San Francisco Housing Authority (SFHA).

In accordance with the Plumbers Master agreement the SFHA will increase the cost of Health/Welfare by $1.00 effective July 1, 2003.

Section 4. If billed, the San Francisco Housing Authority agrees to contribute $60.00 to the apprenticeship trust fund per year per journeyman.

All other Articles and Provisions will remain the same.

Local 38 _____ SFHA _____

TENTATIVE AGREEMENT

DATE ADOPTED_____

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SIDE LETTER OF AGREEMENT WITH THE PLUMBERS UNION LOCAL 38 TO ROLL OVER THE CURRENT CONTRACT UNTIL SEPTEMBER 30, 2004.

WHEREAS, the current Memorandum of Understanding between the San Francisco Housing Authority and the Plumbers Union Local 38 expired on September 30, 2003.

WHEREAS, the Plumbers Union Local 38 have tentatively agreed to roll over the current contract until September 30, 2004.

WHEREAS, the San Francisco Housing Authority wishes to continue to bargain in good faith and continue the positive working relationship with Local 38.

WHEREAS, the San Francisco Housing Authority wishes to enter into a side letter of agreement to roll over the current contract until September 30, 2004.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a side letter of agreement with the Plumbers Union Local 38 to roll over the current contract until September 30, 2004.
2. This Resolution shall be effective immediately.

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

Donna Martin, General Counsel

Gregg Fortner, Executive Director

4-15-04
Date

4/15/04
Date

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, April 22, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, April 22, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:13 p.m.

DOCUMENTS DEPT.

JUN - 8 2005

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1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
George R. Brown, Vice President (arrived at 4:30 p.m.)
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner (arrived at 4:15 p.m.)

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Executive Director Gregg Fortner asked to amend the agenda so that item 11 D, of New Business is removed. Commissioner Smith moved to approve the agenda as amended. Commissioner Gans seconded the motion. The motion to approve the agenda as amended was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Gans moved to approve the minutes. Commissioner Smith seconded the motion. The motion to approve the minutes of the April 8, 2004 Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS

Executive Director Gregg Fortner reported that the updated Commission Request Log and Lease-Up report were the first items in their folders. Currently, there were 292 available

units in public housing, whereas the last reported number was 319. Next, was an excerpt from Robert's Rules of Order detailing how an item previously voted down can be renewed as New Business. Confidentially distributed to the Commission was a memorandum on legal trends requested by Commissioner Palega. Also included confidentially, were the staff's comments on the public statements made at the February 26, 2004 meeting. Mr. Fortner reminded the Commissioners that these documents must be kept in confidence. Lastly, was the monthly claims log, confidentially submitted to the Commission.

5. REPORT OF SECRETARY

Gregg Fortner, Executive Director apologized to the members of the Finance Committee for the late distribution of the materials for their meeting and the resulting cancellation. Mr. Fortner committed staff to sending the materials two to three days in advance of future meetings. Mr. Fortner continued in his report with the announcement of the collaboration between the Mayor's office, the SFHA, and the Conservation Corps for a summer youth program. The program would employ 62-100 youth of the Big Four developments. The young people would be involved in installing yards for approximately 100 public housing units.

Next, Mr. Fortner discussed the national issue of HUD's attempt to block grant Section 8 to the Housing Authorities. Currently, HUD is attempting to alter the language of the proposal so that Section 8 funding would be capped at the August 2003 level. The mayor of Boston as well as the governor of Massachusetts wrote a letter to congress detailing the impact it would have on that city. Approximately 1100 people would be dismissed from the program. San Francisco would not be impacted immediately because in August of 2003 the SFHA was at 100% of utilization. If Section 8 funding were continually cut, the SFHA would have to explore options to subsidize Section 8 within the budget given. The City of Los Angeles entered into a memorandum of understanding with HUD whereas payment standards would be lowered and the amount of rent paid by the Section 8 participant were elevated. Section 8 subsidies to private owners in San Francisco total $150,000,000 annually. If that funding isn't available, the SFHA may have to cut subsidies or raise the resident's portion of rent. Mr. Fortner stated that continued work with cities across the country and elected officials is in progress to ensure that Section 8 funding is renewed for this year.

Mr. Fortner continued his report stating that the on the day prior, Barbara Smith was in Sacramento to go to the California Debt Limit Allocation Committee and discuss the $40 million qualified activity bond. The SFHA's application was approved. Therefore, Valencia Gardens' bonds are going to be sold and that HOPE VI project will be completed.

On April 24, 2004, Mayor Newsome and Supervisor Maxwell were scheduled to hold a town hall meeting in District 10, Visitacion Elementary School, 55 Scherwin, 11:00 a.m.

– 1:00 p.m. The meeting is part of the Mayor's attempt to visit all districts by the end of the year and address any concerns they may have. Mr. Fortner stated that SFHA would be in attendance to answer concerns directed to them.

Last, Mr. Fortner announced the joint efforts of the Police Department and the SFHA to begin an enhanced policing effort of Potrero, Sunnydale, Westbrook, and Hunter's View. The Police Department has committed to placing 4 officers on foot patrol in each development. The Police Department would be responsible for their salaries and benefits. The SFHA is in negotiations with the SFPD to supplement their salaries with overtime pay. The first assignment of the 16 officers for the first 60 days is to knock on every public housing door and introduce themselves as their community policing officers. This is an effort to help the community feel more connected to the Police Department to eliminate residents' reluctance to talk to the police and solve the crimes of the neighborhoods.

Commissioner Woodruff asked what hours the police officers were to patrol the area. Mr. Fortner answered that in true community policing, the hours are varied according to the need, but two officers would work 12-hour shifts, four alternate days a week. For one day a week, four officers would be on duty at the same time. The patrol hours would be dictated by times of the greatest need. Mr. Fortner explained that this is supplemental service to provide intervention and prevention activities. Regular police patrol would be maintained.

Commissioner Palega asked when the program would go into effect. Mr. Fortner answered, Saturday, April 24, 2004. Mr. Fortner assured the Commission that any financial arrangement with the Police Department would be subject to Commission approval.

President Lee asked if this would affect the SFHA budget. Mr. Fortner answered that it would affect how security is paid for. Funds may be allocated from another budget to pay for the police service.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
Commissioner Palega stated that although the meeting was cancelled, he encouraged the Commission to approve the resolutions regarding Section 8 and the Operating Subsidy.

Personnel Committee
No report.

President Lee appointed Commissioner Woodruff to the Diversity Committee and to serve as an alternate on the Finance Committee. Mr. Fortner explained that as an alternate, Commissioner Woodruff would only be asked to attend the meeting if a quorum of the committee could not be met.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was nothing to report.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

Vice President of the City Wide Council – Senior/Disabled, Phillip Lacy stated that at the last meeting he attended, Mr. Fortner asked if it were possible that seniors who dwell at the family sites become a part of the City Wide Council – Senior/Disabled. Mr. Lacy stated that a tenant from Potrero Hill had already joined their council and established a senior tenant's association at that site. Alemany is in the process of aligning with the City Wide Council – Senior/Disabled by starting a senior tenant's association at their development. Mr. Lacy explained that if any family site were to start a senior tenant's association as recognized by the City Wide Council – Senior/Disabled and SFHA, separate from the family site tenant's association, they would be able to join with no problem. Mr. Lacy then asked about the late notice of a meeting regarding the COMP grant. He stated that he received his notice a day late and wanted to know if others had, what was the attendance at the meeting, and if it could be avoided in the future.

Mr. Fortner answered that it would definitely be avoided in the future. Mr. Fortner then commented on Mr. Lacy's earlier statements concerning seniors of the family sites participating in the City Wide Council – Senior/Disabled. Mr. Fortner stated that some of the seniors are of the opinion that they would be more comfortable with the City Wide Council – Senior/Disabled than the family developments' resident councils. Mr. Fortner also stated that a bulk mailing was sent to the residents announcing a pre-meeting to discuss the PHA Plan and COMP Grant process. Many residents called stating that they had gotten the announcement after the meeting took place. Mr. Fortner apologized for the notice being sent late. He stated that the meeting was introductory and doesn't preclude the future meetings at individual sites. Not many people attended the meeting.

Public Housing Tenants Association (PHTA)

President of the Public Housing Tenants Association, Kimberly Brown reported that the executive board is thoroughly examining the bylaws and asked that the SFHA cooperate while they do so. Ms. Brown stated that their office space would more than likely be in the Alice Griffith development. The office space would provide a central location for residents to get their questions answered. In response to Vice President Brown's

question, Ms. Brown stated that they are approximately half way through reviewing the documents and expect to be finished before the end of May. She continued, saying everyone on the board is serious and very active in their communities. Great things are expected to come from this board.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

Barbara Smith, Housing Development and Modernization Administrator presented the resolution.

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH P & A CONSTRUCTION CO. FOR ADA/504 COMPLIANT SITE IMPROVEMENTS FOR FUTURE PLAYGROUND EQUIPMENT INSTALLATION WORK AT CAL 1-17A, HUNTERS POINT A WEST, IN AN AMOUNT NOT TO EXCEED $99,950.00

Barbara Smith, Housing Development and Modernization Administrator presented the resolution. Ms. Smith stated that the resolution would enable the SFHA to proceed with accessibility, preparation, and concrete pad work at Hunters View for a playground CDBG program. One of the requirements of receiving funding from CDBG was providing the site preparation work. This includes the demolition and relocation of the existing walkway, excavation for retaining walls, new retaining walls, new asphalt paving for ADA compliant accessibility path of travel, new site drainage systems and pipe connections to the existing sewer system, and fences. Ms. Smith then listed all of the advertising methods used. Seven potential bidders who requested the invitation for bid documents, plans and specifications. Four contractors participated in the on-site bid walk

conducted on March 9, 2004. The SFHA A&E consultant firm and modernization staff also attended. Two bids were received by the March 15, 2004 due date. P & A Construction bid was considerably lower than the next lowest bidder. P & A Construction is a 100% MBE firm certified by the Human Rights Commission. There are no subcontracts included in the work. In accordance with HUD regulations, Ms. Smith recommended passing this resolution to the lowest, responsive, responsible bidder. Ms. Smith stated that P & A Construction has performed more complicated and larger jobs and distributed documentation of recent projects completed by the company. The firm has agreed to exceed the 25% resident hiring requirement and will take 30 days to complete. Residents would be hired during that period. Excellent references were given by the company, are not on the debarment list, and participate in the Northern California Apprenticeship Training Program. Mr. Fortner added that this was the same item before the Commission at the last meeting and had been reintroduced because staff didn't think an adequate job was done to reflect the work to be performed. Therefore, more substantive documentation was provided and no legal impediment was found not to recommend this resolution.

Commissioner Palega stated that his concern was with the resident hiring component and their lack of commitment to upward mobility. Commissioner Palega said that unless that has changed his negative vote would remain the same. Ms. Smith introduced Mr. Pa of P & A Construction and Maggie Wang to interpret for him.

Vice President Brown asked if Mr. Pa would place the residents into an apprenticeship program and what were his general intensions with the residents upon completion of the job. Mr. Pa didn't directly answer the question so Mr. Fortner asked him to explain how the apprenticeship program work.

Vice President Brown asked what the residents would be hired as. Mr. Pa answered that they would be hired as laborers.

Commissioner Palega asked Ms. Smith if the work included assembling the pieces, welding, and wrenching for the playground. Mr. Fortner answered that the playground equipment would be assembled by the Conservation Corps. Mr. Pa's company is responsible for laying the foundation for the playground equipment.

Vice President Brown stated that some of the work to be performed takes the skill of a carpenter or iron-worker. Commissioner Palega specified some of the tasks involved in the project and stated that it cannot be done with a machine. Mr. Pa commented that it was true and he would have the rebar bent and then he would tie it and pour the concrete. In answer to Vice President Brown's follow up question, Mr. Pa stated that the laborers would be used to tie the rebar. Mr. Pa asked if the Commission wanted him to hire a resident for carpenter work. Commissioner Palega answered that it is more than that. They were interested in the upward mobility of the resident's future and if they would be able to get into an apprenticeship program.

President Lee asked how many people are expected to work on the project. Mr. Pa answered that he would need one carpenter, three laborers, and five others for the various tasks to be completed. Furthermore, he had ten people working for him and the decision to hire new people is based on whether they have enough work. Commissioner Palega responded that the people who work for him are not awarding the contract. The SFHA is. President Lee stated that it seemed the job was not very extensive and if one resident could be hired for the entire month, she would be pleased. Mr. Fortner added that the bid specification is for 25% of a contract's hours are to be done by a resident employee. There is nothing in the bid specification requiring upward mobility, but residents would gain work experience. Asking a private contractor to guarantee work for a resident beyond the thirty days is noble, but unrealistic based on the size of the company. Commissioner Palega responded that certain tasks required to complete this job have to be done by a carpenter. This could be a part of an apprenticeship program, but Mr. Pa is not considering this option. The apprenticeship program could lead to future jobs for the resident, versus simple work experience and back to not having any money. Commissioner Palega stated that that is a sad position to place the residents in. Mr. Pa stated that if a resident does a good job while working for him, he would hire him again whether it's with the SFHA or not.

Commissioner Smith asked Mr. Pa if he recalled not understanding when that question was posed to him at the last Commission meeting. Mr. Pa answered that his English wasn't that good and he didn't understand what she was saying.

Commissioner Woodruff asked what guarantee the Commission has that Mr. Pa would fulfill the resident hiring requirement. Mr. Fortner answered that SFHA staff would monitor the contract to ensure that all requirements are fulfilled.

Vice President Brown stated that he was not suggesting that Mr. Pa take anyone with him to another job, but was encouraging him to hire a resident as something other than a laborer so the person could reap the benefits of an apprenticeship program. If that were so, it would give a resident the opportunity to move on. Mr. Pa responded that a resident could watch and learn as various tasks are being done. He would then ask the employee to try and do it him or herself. That was the way he learned his skills. Vice President Brown reiterated that a person learning a craft would make more money and have more opportunities for future employment versus being hired as a laborer.

Mr. Fortner asked Mr. Pa if there would be an opportunity for a resident to assist a skilled worker in fulfillment of future apprenticeship requirements. Mr. Pa answered yes and described a scenario where the resident could do so.

Commissioner Woodruff moved to approve Item A of New Business. Commissioner Smith seconded the motion. The motion to approve Item A of New Business was

defeated by a majority vote. President Lee voted in favor of the motion. Vice President Brown and Commissioners Palega, Gans, Woodruff and Smith voted against the motion.

Resolution No. 5149

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO HUD THE CALCULATION OF OPERATING SUBSIDY FOR THE LOW INCOME HOUSING PROGRAM BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2004, TO SEPTEMBER 30, 2005, FOR THE LOW INCOME HOUSING DEVELOPMENTS UNDER CONTRACT SF-255

David Esparza, Director of Finance presented the resolution. Mr. Esparza first apologized for the late distribution of the Finance Committee materials and accepted responsibility for it being held up in his department. Mr. Esparza explained that the calculation described in the resolution is submitted to HUD every year for the agency's low-income subsidy. The formula driven calculation is based on the number of residents served in the low-income operations plus other factors permitted by HUD. The total request is a balance budget of $29,286,449. HUD is expected to adjust this amount after receiving all Housing Authority requests nationwide. The amount given is at 100% funding, but there are indications that the SFHA would be funded at less than 100%.

Commissioner Palega asked if the amount is close to last year's. Mr. Esparza answered yes. Mr. Fortner added that 100% of funding is requested, but not expected. Last year only 94.7% was received. Mr. Esparza added that the SFHA is compiling various scenarios to continue to operate the agency at different levels of funding.

Vice President Brown asked about the contribution received last year. Mr. Esparza clarified that the contribution received last year was $27,956,818. Commissioner Palega asked for clarification concerning the total HUD contribution for this year. Mr. Esparza explained that HUD allows additional funds to be transferred from the capital fund to operations. Mr. Fortner added that it sounds like a lot of money, but only equates to $600 per unit per month.

Vice President Brown asked if the SFHA was requesting the same amount as last year. Mr. Esparza stated that the assumption is that HUD will fund the capital fund at the same level as last year. Mr. Fortner added that that account has gone down by $1 million every year since 2000.

Vice President Brown moved to approve Resolution No. 5149. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5149 was unanimously passed.

Resolution No. 5150

(C) RESOLUTION APPROVING THE SECTION 8 HOUSING ASSISTANCE PAYMENT BUDGET FOR THE FISCAL YEAR PERIOD OCTOBER 1, 2004 TO SEPTEMBER 30, 2005 UNDER CONTRACT SF-618

David Esparza, Director of Finance stated that the formula calculation was based on the current guidelines for the units that are served and the amounts applicable to them. Changes are possible after going through the HUD process because there is speculation about the fees being capped. Mr. Esparza stated that approval is requested based on the current standings of the SFHA.

In response to Commissioner Woodruff's question, Mr. Esparza stated that $153,770,843 is requested. Mr. Fortner added that most of the money goes to landlord payments.

Vice President Brown asked for more information about the contract costs under protective services. Mr. Fortner answered that the amount covers the salary of the guard at the Egbert office.

Commissioner Palega moved to approve resolution No. 5150. Commissioner Woodruff seconded the motion. The resolution to approve resolution No. 5150 was unanimously passed.

Vice President Brown asked why Item D was removed from the agenda. Mr. Fortner answered that the Plumbers Union wanted to make significant changes to the agreement.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Kevin Robinson, President of the Alemany Resident Management Corporation stated that the meeting between Mr. Fortner and the Alemany RMC was not held in accordance to the agenda they had in mind. Mr. Robinson asked that the Commissioners intervene because HUD regulations clearly state that Housing Authorities are required to work with resident associations. Mr. Robinson reported that there were numerous gunshots in their neighborhood recently, and the RMC just wants to get busy in the community to stop the violence. He asked that the Executive Director be held accountable and not conduct himself in a counterproductive manner to residents of the community.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Smith reported on the tour of Clementina which she, Commissioner Gans, Commissioner Woodruff, and President Lee attended. Commissioner Smith stated that the passageway in question has more than enough space to pass. Commissioner Smith

described the entrances and what it will look like after it's finished. Ceiling lights and security cameras will be along the walkway. Commissioner Smith stated that when the project is completed it would be very nice.

President Lee added that area that narrows between the two columns is more than four feet and sufficient to pass freely. The Commissioners wanted to make sure that there was enough lighting and security in the passageway because they care for the residents. President Lee said that the Commissioners should perform another walkthrough before the project is finally completed.

Vice President Brown asked what programs or response mechanisms the SFHA has in place to address victims of violent crimes. Mr. Fortner answered that this issue has come up especially in the last year. It was first addressed in the context of the SFHA being responsible to move anyone who lives in a development that has faced violent criminal activity. That expectation is not realistic due to a lack of housing stock. However, if a person is a victim or witness to a crime and they are cooperating with the police and district attorney's office, there is an emergency process to remove that person. If a person were mentally affected by a crime, medical documentation is required to move them out of the development. The SFHA has relationships with non-profit entities, the Department of Public Health, and it's own domestic violence coordinator. When it comes to transferring people, there are no Section 8 vouchers to do so. There are only vacant units and most people don't want to move to the available units because of their location.

Vice President Brown asked if anything is done to reach out to the residents when they experience a violent crime. Ms. Boyd interjected that Jennifer Hudson is the head of the Domestic Violence and Crisis Intervention Program and the property managers contact her office with information of violent occurrences. Ms. Hudson has ties with many non-profit organizations to provide mental health services to the residents. Mr. Fortner conceded that the SFHA doesn't reach out as much as should be done. A process needs to be developed to distribute information of resources when violence happens in a community.

Commissioner Woodruff asked if the residents are aware of Ms. Hudson's office and how often they are informed that the resource exists. Commissioner Woodruff suggested a letter or flyer be sent after a crime to inform the residents of this option. Ms. Boyd stated that the residents are aware and when tragedies happen, staff attends community meetings to remind them of the available resources. Mr. Fortner added that more could be done to notify the residents who don't go to the property office seeking the information and made some suggestions on how to do it.

Commissioner Palega asked for a report on how many crimes involving shooting occur in public housing and how many bullet holes are patched in to each development.

Commissioner Smith asked Mr. Fortner to clarify what Mr. Robinson's comments were about. Mr. Fortner answered that when Mr. Robinson discovered that the meeting was to discuss Ms. Nartey's program and not the status of his RMC, he walked out of the meeting. Mr. Fortner stated that he informed Mr. Robinson that to discuss the status of the Alemany RMC would be inappropriate before service providers. Mr. Fortner stated that many things are said that are not accurate and that is why the process has been introduced to inform the Commission of staff comments on all public comments.

Vice President Brown reiterated Commissioner Palega's request for a monthly crime report. Commissioner Palega asked if an SFHA security guard was shot on public housing property. Mr. Fortner answered yes. Mr. Fortner added that not one of the victims of last month's shootings were on a lease for public housing. Mr. Fortner added that the report would specify where the incident happened, if the person was a resident or affiliated with a resident, and the type of action expected to be taken.

Commissioner Woodruff reiterated the point that response mechanisms are necessary for SFHA residents whether the victims were on a lease or not. Mr. Fortner responded that the perception that there are no processes in place is not entirely accurate. It has been presented at Commission meetings that the SFHA is insensitive to the needs of residents and this is not the case.

President Lee commended Mr. Fortner on the recent basketball tournament with the Mayor and other city departments. President Lee stated that the Mayor stayed from almost 9am until 3pm and hopefully the city will start taking care of a less desirable area to make it a better place to live.

14. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Palega moved to adjourn the meeting and Commissioner Brown seconded the motion. President Lee adjourned the regularly scheduled meeting of April 22, 2004 at 5:40 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

A SPECIAL MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON **TUESDAY, APRIL 27, 2004 AT 4:00 P.M.**
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

AGENDA
April 27, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

   NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment the public will have the opportunity to comment on items not on the agenda.*

4. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

5. CLOSED SESSION

   A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (case names unspecified to avoid jeopardizing existing settlement negotiations).

6. RECONVENING OF COMMISSION MEETING

7. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Special Meeting
Tuesday, April 27, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a special scheduled meeting at 440 Turk Street, San Francisco, California on Tuesday, April 27, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:05 p.m.

1. ROLL CALL

Roll call found the following members to be:

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PRESENT: *Julie Lee, President*
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Commissioner Woodruff moved to approve the agenda. Commissioner Gans seconded the motion. The motion to approve the agenda was unanimously approved.

3. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

4. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

There were no public comments on items not on the agenda.

5. CLOSED SESSION

A Closed session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (case names unspecified to avoid jeopardizing existing settlement negotiations). The Commission went into closed session at 4:06 p.m.

6. RECONVENING OF COMMISSION MEETING

The Commission reconvened from Closed Session at 6:25 p.m. All Commissioners were present for the duration of the closed session. Agency Counsel, Donna Martin stated that the Commission was updated on potential litigation and she agreed to provide further updates.

7. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Palega moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Lee adjourned the special scheduled meeting of April 27, 2004 at 6:26 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

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